2002 IHCIF

FY 2001 FEHBP Disparity Index and Application of Findings to Allocate the FY 2002 Indian Health Care Improvement Fund

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March, 2002

Tab A

Table of the 2002 IHCIF distribution among local operating units

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March, 2002

Table 8 -- FY 2002 IHCIF Distribution-- Revised May 6, 2002

Distribution of the FY 2002 $23 Million IHCIF

Summary for IHS Areas

Area	Operating Unit	2001 Users	%	Needed $ For 60%	IHCIF Allocation	IHCIF / User	New %
Aberdeen Total		**120,593**	**53%**	**$28,522,647**	**$1,529,000**	**$13**	**54%**
Alaska Total		**119,016**	**58%**	**$38,998,654**	**$2,104,000**	**$18**	**59%**
Albuquerque Total		**84,279**	**52%**	**$18,592,645**	**$998,000**	**$12**	**52%**
Bemidji Total		**95,939**	**36%**	**$68,768,321**	**$3,962,000**	**$41**	**38%**
Billings Total		**69,404**	**62%**	**$6,701,308**	**$360,000**	**$5**	**62%**
California Total		**68,045**	**49%**	**$22,994,634**	**$1,257,000**	**$18**	**50%**
Nashville Total		**49,835**	**57%**	**$9,455,751**	**$899,000**	**$18**	**57%**
Navajo Total		**224,986**	**54%**	**$41,867,854**	**$2,245,000**	**$10**	**55%**
Oklahoma Total		**301,338**	**43%**	**$114,797,659**	**$6,388,000**	**$21**	**44%**
Phoenix Total		**137,017**	**54%**	**$36,519,006**	**$1,970,000**	**$14**	**55%**
Portland Total		**94,124**	**55%**	**$20,942,205**	**$1,127,000**	**$12**	**56%**
Tucson Total		**23,406**	**51%**	**$2,851,629**	**$161,000**	**$7**	**52%**
Grand Total		**1,387,982**	**51%**	**$411,012,313**	**$23,000,000**	**$17**	**52%**

Table 8 -- FY 2002 IHCIF Distribution-- Revised May 6, 2002

Distribution of the FY 2002 $23 Million IHCIF

Area	Operating Unit	2001 Users	%	Needed $ For 60%	IHCIF Allocation	IHCIF / User	New %
Aberdeen	**Sac & Fox**	1,402	33%	$1,294,509	**$69,000**	$49	35%
Aberdeen	**Winnebago**	4,312	76%	$0	**$0**	$0	76%
Aberdeen	**Omaha**	3,462	57%	$354,561	**$19,000**	$5	57%
Aberdeen	**Santee**	1,176	41%	$773,390	**$41,000**	$35	42%
Aberdeen	**Northern Ponca**	1,667	49%	$629,364	**$34,000**	$20	50%
Aberdeen	**Turtle Mountain**	14,303	66%	$0	**$0**	$0	66%
Aberdeen	**Standing Rock**	9,960	45%	$4,412,054	**$237,000**	$24	46%
Aberdeen	**Spirit Lake (Ft. Totten)**	5,206	45%	$2,469,740	**$132,000**	$25	46%
Aberdeen	**Three Affiliated (Ft. Berthold)**	6,025	44%	$2,871,999	**$154,000**	$26	45%
Aberdeen	**Trenton**	1,583	48%	$646,240	**$35,000**	$22	49%
Aberdeen	**Rapid City**	11,019	47%	$4,006,493	**$215,000**	$20	48%
Aberdeen	**Cheyenne River**	8,131	45%	$3,630,888	**$195,000**	$24	46%
Aberdeen	**Pine Ridge**	21,716	60%	$0	**$0**	$0	60%
Aberdeen	**Rosebud**	12,349	58%	$897,051	**$48,000**	$4	58%
Aberdeen	**Sisseton-Wahpeton**	6,192	43%	$3,251,480	**$174,000**	$28	44%
Aberdeen	**Yankton**	4,658	54%	$841,438	**$45,000**	$10	55%
Aberdeen	**Flandreau**	1,783	39%	$1,265,035	**$68,000**	$38	40%
Aberdeen	**Crow Creek**	3,682	53%	$798,373	**$43,000**	$12	54%
Aberdeen	**Lower Brule**	1,967	54%	$380,035	**$20,000**	$10	55%
Aberdeen Total		**120,593**	**53%**	**$28,522,647**	**$1,529,000**	**$13**	**54%**
Alaska	**Aleutian Pribilof Islands Associatior**	928	60%	$15,633	**$10,000**	$11	60%
Alaska	**Arctic Slope Regional Tribe**	4,516	58%	$428,690	**$23,000**	$5	58%
Alaska	**Bristol Bay Area Health**	6,292	70%	$0	**$0**	$0	70%
Alaska	**Chugachmiut Tribe**	1,752	54%	$511,181	**$27,000**	$15	54%
Alaska	**Copper River Native Associaton**	542	93%	$0	**$0**	$0	93%
Alaska	**Eastern Aleutian Tribe**	959	38%	$1,109,092	**$59,000**	$62	39%
Alaska	**Kenaitze Indian Tribe**	1,501	49%	$670,697	**$36,000**	$24	50%
Alaska	**Ketchikan Indian Corporation**	2,937	38%	$3,088,304	**$166,000**	$57	39%
Alaska	**Kodiak**	2,402	52%	$938,911	**$50,000**	$21	52%
Alaska	**Maniilaq**	7,117	91%	$0	**$0**	$0	91%
Alaska	**Metlakatla Indian Tribe**	1,303	36%	$1,564,003	**$84,000**	$64	37%
Alaska	**Misc. Anchorage Tribes**	358	120%	$0	**$0**	$0	120%
Alaska	**Ninilchik**	275	51%	$128,564	**$10,000**	$36	52%
Alaska	**Norton Sound**	6,910	59%	$196,654	**$11,000**	$2	59%
Alaska	**Seldovia**	500	48%	$301,864	**$16,000**	$32	49%
Alaska	**Southcentral Foundation**	32,918	76%	$0	**$0**	$0	76%
Alaska	**Southeast Alaska Regional**	12,062	60%	$0	**$0**	$0	60%
Alaska	**Tanana Chiefs Conference**	13,751	39%	$12,225,672	**$656,000**	$48	40%
Alaska	**Yukon Kuskokwim**	21,993	40%	$17,819,389	**$956,000**	$43	41%
Alaska Total		**119,016**	**58%**	**$38,998,654**	**$2,104,000**	**$18**	**59%**
Albuquerque	**Albuquerque**	30,865	42%	$12,714,297	**$682,000**	$22	43%
Albuquerque	**Acoma-Canoncito-Laguna**	11,219	55%	$1,322,044	**$71,000**	$6	56%
Albuquerque	**Mescalero**	4,414	51%	$1,022,484	**$55,000**	$12	52%
Albuquerque	**Santa Fe**	17,451	61%	$0	**$0**	$0	61%
Albuquerque	**Zuni**	8,827	56%	$848,559	**$46,000**	$5	57%
Albuquerque	**Ramah**	2,014	52%	$501,964	**$27,000**	$13	53%
Albuquerque	**So Colorado Ute**	5,668	51%	$1,359,618	**$73,000**	$13	51%
Albuquerque	**Ysleta Del Sur**	702	109%	$0	**$0**	$0	109%
Albuquerque	**Jicarilla**	3,119	51%	$823,679	**$44,000**	$14	51%
Albuquerque Total		**84,279**	**52%**	**$18,592,645**	**$998,000**	**$12**	**52%**
Bemidji	**Bad River**	1,985	39%	$1,288,849	**$69,000**	$35	41%
Bemidji	**Bay Mills**	1,215	33%	$1,156,513	**$62,000**	$51	34%

Table 8 -- FY 2002 IHCIF Distribution-- Revised May 6, 2002

Distribution of the FY 2002 $23 Million IHCIF

Area	Operating Unit	2001 Users	%	Needed $ For 60%	IHCIF Allocation	IHCIF / User	New %
Bemidji	**Fond Du Lac**	5,685	33%	$4,628,626	**$248,000**	$44	35%
Bemidji	**Forest County**	854	59%	$41,300	**$10,000**	$12	59%
Bemidji	**Grand Portage**	476	47%	$203,424	**$11,000**	$23	48%
Bemidji	**Grand Traverse**	2,068	37%	$1,369,154	**$73,000**	$35	38%
Bemidji	**Greater Leech Lake**	9,823	31%	$8,020,010	**$430,000**	$44	33%
Bemidji	**Greater Red Lake**	7,345	52%	$1,788,589	**$96,000**	$13	52%
Bemidji	**Greater White Earth**	8,292	46%	$3,475,382	**$186,000**	$22	46%
Bemidji	**Ho-Chunk**	4,179	31%	$3,718,746	**$199,000**	$48	33%
Bemidji	**Huron Potawatomi**	612	39%	$436,312	**$23,000**	$38	40%
Bemidji	**Keweenaw Bay**	1,682	32%	$1,545,253	**$83,000**	$49	34%
Bemidji	**Lac Courte Oreilles**	3,659	35%	$2,795,059	**$150,000**	$41	36%
Bemidji	**Lac Du Flambeau**	2,690	39%	$1,817,133	**$97,000**	$36	40%
Bemidji	**Lac Vieux Desert**	438	64%	$0	**$0**	$0	64%
Bemidji	**Little River Ottawa**	950	38%	$687,472	**$37,000**	$39	39%
Bemidji	**Little Traverse Odawa**	2,500	39%	$1,497,157	**$80,000**	$32	40%
Bemidji	**Lower Sioux**	605	30%	$623,334	**$33,000**	$55	31%
Bemidji	**Gun Lake**	276	34%	$238,937	**$13,000**	$47	36%
Bemidji	**Menominee**	6,958	31%	$6,055,878	**$325,000**	$47	32%
Bemidji	**Hannahville**	929	31%	$918,758	**$49,000**	$53	32%
Bemidji	**Mille Lacs**	2,784	27%	$3,081,946	**$321,000**	$115	30%
Bemidji	**Bois Forte/Nett Lake**	1,203	50%	$369,331	**$20,000**	$17	51%
Bemidji	**Oneida**	7,672	32%	$6,052,385	**$325,000**	$42	34%
Bemidji	**Pokagon Potawatomi**	2,391	34%	$2,150,964	**$115,000**	$48	35%
Bemidji	**Prairie Island**	350	43%	$205,768	**$11,000**	$31	44%
Bemidji	**Shakopee**	468	33%	$460,503	**$25,000**	$53	35%
Bemidji	**Red Cliff**	1,561	39%	$1,117,256	**$60,000**	$38	40%
Bemidji	**Saginaw Chippewa**	2,264	27%	$2,531,504	**$247,000**	$109	30%
Bemidji	**Saulte Sainte Marie**	9,971	33%	$7,497,515	**$402,000**	$40	34%
Bemidji	**Sokaogon**	530	41%	$327,998	**$18,000**	$34	42%
Bemidji	**St Croix**	1,649	30%	$1,744,317	**$94,000**	$57	31%
Bemidji	**Stockbridge-Munsee**	1,504	48%	$662,180	**$36,000**	$24	48%
Bemidji	**Upper Sioux**	371	39%	$260,772	**$14,000**	$38	40%
Bemidji Total		**95,939**	**36%**	**$68,768,321**	**$3,962,000**	**$41**	**38%**
Billings	**Blackfeet**	12,187	62%	$0	**$0**	$0	62%
Billings	**Crow**	11,652	76%	$0	**$0**	$0	76%
Billings	**Ft Belknap**	4,814	78%	$0	**$0**	$0	78%
Billings	**Ft Peck**	8,601	59%	$280,458	**$15,000**	$2	59%
Billings	**No. Cheyenne**	6,438	73%	$0	**$0**	$0	73%
Billings	**Wind River**	10,104	51%	$2,529,572	**$136,000**	$13	51%
Billings	**Flathead**	11,038	49%	$3,891,278	**$209,000**	$19	50%
Billings	**Rocky Boy**	4,570	63%	$0	**$0**	$0	63%
Billings Total		**69,404**	**62%**	**$6,701,308**	**$360,000**	**$5**	**62%**
California	**Berry Creek/Mooretown/Feather Riv**	3,201	40%	$1,782,359	**$96,000**	$30	41%
California	**Cabezon**	2	1312%	$0	**$0**	$0	1312%
California	**Central Valley**	5,675	37%	$3,437,426	**$184,000**	$32	38%
California	**Chapa De**	3,504	44%	$1,609,269	**$86,000**	$25	45%
California	**Colusa**	140	49%	$52,181	**$10,000**	$71	51%
California	**Consolidated**	2,858	35%	$1,987,006	**$107,000**	$37	37%
California	**Greenville**	1,203	36%	$876,963	**$47,000**	$39	37%
California	**Hoopa**	2,820	54%	$470,490	**$25,000**	$9	54%
California	**Indian Health Council**	4,450	55%	$664,955	**$36,000**	$8	55%
California	**Karuk**	1,858	59%	$44,054	**$10,000**	$5	59%

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Area	Operating Unit	2001 Users	%	Needed $ For 60%	IHCIF Allocation	IHCIF / User	New %
California	**Lake County**	1,636	33%	$1,341,320	**$72,000**	$44	34%
California	**Lassen**	982	45%	$441,933	**$24,000**	$24	46%
California	**Modoc**	156	130%	$0	**$0**	$0	130%
California	**Northern Valley**	1,435	47%	$552,827	**$30,000**	$21	48%
California	**Pit River**	892	64%	$0	**$0**	$0	64%
California	**Quartz Valley**	104	53%	$20,583	**$10,000**	$96	57%
California	**Redding Rancheria**	4,098	53%	$742,185	**$40,000**	$10	53%
California	**Riverside/San Bernardino**	9,739	65%	$0	**$0**	$0	65%
California	**Round Valley**	1,069	49%	$354,950	**$19,000**	$18	50%
California	**Santa Ynez**	849	29%	$865,329	**$46,000**	$54	30%
California	**Shingle Springs**	854	38%	$599,896	**$32,000**	$37	39%
California	**Sonoma County**	3,849	43%	$1,886,772	**$101,000**	$26	44%
California	**Southern Indian Health Council**	2,574	60%	$0	**$0**	$0	60%
California	**Sycuan**	85	98%	$0	**$0**	$0	98%
California	**Table Mountain**	22	103%	$0	**$0**	$0	103%
California	**Toiyabe**	2,788	49%	$840,170	**$45,000**	$16	50%
California	**Tule River**	2,656	49%	$791,713	**$42,000**	$16	50%
California	**Tuolumne**	2,132	49%	$706,716	**$38,000**	$18	49%
California	**United Indian Health Services**	6,301	42%	$2,925,540	**$157,000**	$25	43%
California	**Warner Mountain**	113	105%	$0	**$0**	$0	105%
California Total		**68,045**	**49%**	**$22,994,634**	**$1,257,000**	**$18**	**50%**
Nashville	**Alabama Coushatta**	845	56%	$109,503	**$10,000**	$12	56%
Nashville	**Catawba**	1,072	77%	$0	**$0**	$0	77%
Nashville	**Cayuga**	247	36%	$177,219	**$10,000**	$40	37%
Nashville	**Cherokee**	10,343	55%	$1,281,741	**$69,000**	$7	55%
Nashville	**Chitimacha**	431	69%	$0	**$0**	$0	69%
Nashville	**Choctaw**	8,396	62%	$0	**$0**	$0	62%
Nashville	**Coushatta**	499	55%	$59,666	**$10,000**	$20	56%
Nashville	**Houlton Band Of Maliseet**	359	106%	$0	**$0**	$0	106%
Nashville	**Jena Band Of Choctaw**	199	52%	$42,146	**$10,000**	$50	54%
Nashville	**Miccosukee**	742	66%	$0	**$0**	$0	66%
Nashville	**Micmac**	455	124%	$0	**$0**	$0	124%
Nashville	**Mohegan**	1,264	30%	$1,421,189	**$76,000**	$60	31%
Nashville	**Narragansett**	671	73%	$0	**$0**	$0	73%
Nashville	**Onondaga**	1,873	21%	$2,161,906	**$481,000**	$257	30%
Nashville	**Oneida**	1,879	49%	$603,776	**$32,000**	$17	50%
Nashville	**Pass.. Township**	821	90%	$0	**$0**	$0	90%
Nashville	**Pass.-Pleasant Point**	947	84%	$0	**$0**	$0	84%
Nashville	**Penobscot**	1,334	76%	$0	**$0**	$0	76%
Nashville	**Pequot**	897	39%	$685,010	**$37,000**	$41	40%
Nashville	**Poarch Creek**	2,033	61%	$0	**$0**	$0	61%
Nashville	**St. Regis Mohawk**	4,552	51%	$1,085,303	**$58,000**	$13	51%
Nashville	**Seminole**	3,550	48%	$1,119,701	**$60,000**	$17	49%
Nashville	**Seneca**	5,835	56%	$662,814	**$36,000**	$6	56%
Nashville	**Tunica-Biloxi**	268	64%	$0	**$0**	$0	64%
Nashville	**Wampanoag Of Gayhead**	323	56%	$45,779	**$10,000**	$31	57%
Nashville Total		**49,835**	**57%**	**$9,455,751**	**$899,000**	**$18**	**57%**
Navajo	**Chinle**	24,909	50%	$5,678,720	**$305,000**	$12	51%
Navajo	**Tsaile**	7,757	33%	$5,731,459	**$307,000**	$40	34%
Navajo	**Crownpoint**	19,584	48%	$5,432,752	**$291,000**	$15	49%
Navajo	**Fort Defiance**	24,374	68%	$0	**$0**	$0	68%
Navajo	**Gallup**	32,399	69%	$0	**$0**	$0	69%

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Area	Operating Unit	2001 Users	%	Needed $ For 60%	IHCIF Allocation	IHCIF / User	New %
Navajo	**Tohatchi**	8,911	40%	$4,450,872	**$239,000**	$27	42%
Navajo	**Kayenta**	13,531	38%	$7,139,998	**$383,000**	$28	40%
Navajo	**Inscription House**	4,284	34%	$3,132,156	**$168,000**	$39	36%
Navajo	**Shiprock**	42,854	61%	$0	**$0**	$0	61%
Navajo	**Dzilth Na O Dith Hle**	5,361	40%	$2,878,196	**$154,000**	$29	41%
Navajo	**Tuba City**	26,596	58%	$1,123,825	**$60,000**	$2	58%
Navajo	**Winslow**	14,426	42%	$6,299,875	**$338,000**	$23	43%
Navajo Total		**224,986**	**54%**	**$41,867,854**	**$2,245,000**	**$10**	**55%**
Oklahoma	**Claremore**	30,409	47%	$8,362,129	**$448,000**	$15	48%
Oklahoma	**Clinton**	9,270	50%	$2,102,275	**$113,000**	$12	51%
Oklahoma	**Haskell**	6,164	28%	$4,797,177	**$275,000**	$45	30%
Oklahoma	**Holton**	2,284	33%	$1,706,962	**$92,000**	$40	35%
Oklahoma	**Lawton**	22,819	46%	$6,754,528	**$362,000**	$16	47%
Oklahoma	**Pawnee**	8,930	55%	$1,015,666	**$54,000**	$6	55%
Oklahoma	**Tahlequah**	17,646	59%	$308,283	**$17,000**	$1	59%
Oklahoma	**Wewoka**	8,851	32%	$6,181,592	**$331,000**	$37	33%
Oklahoma	**Abs Shawnee**	4,390	45%	$1,806,968	**$97,000**	$22	46%
Oklahoma	**Chickasaw**	30,218	51%	$5,943,675	**$319,000**	$11	51%
Oklahoma	**Cherokee**	63,288	35%	$34,843,600	**$1,868,000**	$30	36%
Oklahoma	**Choctaw**	33,041	55%	$3,357,386	**$180,000**	$5	55%
Oklahoma	**Creek**	21,524	40%	$9,190,908	**$493,000**	$23	41%
Oklahoma	**Kaw**	1,388	37%	$870,690	**$47,000**	$34	38%
Oklahoma	**Kickapoo Of Kansas**	771	38%	$471,663	**$25,000**	$32	39%
Oklahoma	**Kickapoo Of Texas**	538	70%	$0	**$0**	$0	70%
Oklahoma	**Ponca Tribe Of Oklahoma**	3,606	47%	$1,276,731	**$68,000**	$19	47%
Oklahoma	**Kickapoo Of Oklahoma**	6,582	28%	$5,276,568	**$330,000**	$50	30%
Oklahoma	**Citizen Potawatomi**	12,922	28%	$9,449,696	**$675,000**	$52	30%
Oklahoma	**Iowa Of Oklahoma**	1,154	32%	$960,813	**$52,000**	$45	33%
Oklahoma	**Sac And Fox Of Oklahoma**	6,781	32%	$4,630,745	**$248,000**	$37	34%
Oklahoma	**Wyandotte / E Shawnee**	1,239	33%	$949,237	**$51,000**	$41	35%
Oklahoma	**Miami Consortium**	7,523	35%	$4,540,368	**$243,000**	$32	36%
Oklahoma Total		**301,338**	**43%**	**$114,797,659**	**$6,388,000**	**$21**	**44%**
Phoenix	**Phoenix SU**	54,777	45%	$19,474,719	**$1,044,000**	$19	46%
Phoenix	**Keams Canyon/Hopi**	6,073	101%	$0	**$0**	$0	101%
Phoenix	**U&O**	4,359	52%	$941,990	**$51,000**	$12	53%
Phoenix	**Whiteriver**	14,436	50%	$3,598,856	**$193,000**	$13	51%
Phoenix	**Ft. Yuma**	3,559	59%	$129,516	**$10,000**	$3	59%
Phoenix	**Colorado River**	5,465	69%	$0	**$0**	$0	69%
Phoenix	**Peach Springs/Supai**	2,290	61%	$0	**$0**	$0	61%
Phoenix	**San Carlos**	10,844	42%	$5,100,397	**$274,000**	$25	43%
Phoenix	**Elko**	2,023	70%	$0	**$0**	$0	70%
Phoenix	**Duckwater**	134	210%	$0	**$0**	$0	210%
Phoenix	**Ely**	291	109%	$0	**$0**	$0	109%
Phoenix	**Gila River**	18,596	49%	$4,779,217	**$256,000**	$14	50%
Phoenix	**PITU**	801	74%	$0	**$0**	$0	74%
Phoenix	**Owyhee**	1,447	135%	$0	**$0**	$0	135%
Phoenix	**Schurz/Walker River**	936	79%	$0	**$0**	$0	79%
Phoenix	**Fallon/Lovelock/Yomba**	1,691	60%	$17,338	**$10,000**	$6	60%
Phoenix	**Pyramid Lake**	1,625	53%	$357,659	**$19,000**	$12	53%
Phoenix	**Reno-Sparks/Nevada Urban**	3,135	52%	$727,035	**$39,000**	$12	53%
Phoenix	**Las Vegas/Moapa**	1,174	46%	$548,212	**$29,000**	$25	47%
Phoenix	**Ft. Mcdermitt**	676	70%	$0	**$0**	$0	70%

Table 8 -- FY 2002 IHCIF Distribution-- Revised May 6, 2002

Distribution of the FY 2002 $23 Million IHCIF

Area	Operating Unit	2001 Users	%	Needed $ For 60%	IHCIF Allocation	IHCIF / User	New %
Phoenix	**Washoe**	2,126	47%	$844,070	**$45,000**	$21	48%
Phoenix	**Yerington**	559	79%	$0	**$0**	$0	79%
Phoenix Total		**137,017**	**54%**	**$36,519,006**	**$1,970,000**	**$14**	**55%**
Portland	**Burns Paiute**	283	99%	$0	**$0**	$0	99%
Portland	**Chehalis**	999	42%	$591,300	**$32,000**	$32	43%
Portland	**Coeur D'Alene**	3,683	46%	$1,437,991	**$77,000**	$21	47%
Portland	**Colville**	8,446	50%	$2,105,156	**$113,000**	$13	51%
Portland	**Coos, L Umpqua, Suislaw**	597	73%	$0	**$0**	$0	73%
Portland	**Coquille**	1,113	49%	$402,658	**$22,000**	$20	49%
Portland	**Cow Creek**	1,752	34%	$1,349,664	**$72,000**	$41	36%
Portland	**Grand Ronde**	3,067	63%	$0	**$0**	$0	63%
Portland	**Hoh**	50	85%	$0	**$0**	$0	85%
Portland	**Jamestown S'Klallam**	420	63%	$0	**$0**	$0	63%
Portland	**Kalispel**	260	33%	$223,266	**$12,000**	$46	34%
Portland	**Klamath**	2,202	63%	$0	**$0**	$0	63%
Portland	**Kootenai**	195	71%	$0	**$0**	$0	71%
Portland	**Lower Elwha**	776	55%	$113,766	**$10,000**	$13	56%
Portland	**Lummi**	4,278	51%	$1,031,677	**$55,000**	$13	52%
Portland	**Makah**	1,928	56%	$227,346	**$12,000**	$6	56%
Portland	**Muckleshoot**	3,316	30%	$2,882,056	**$155,000**	$47	31%
Portland	**Nez Perce**	3,455	71%	$0	**$0**	$0	71%
Portland	**Nisqually**	748	69%	$0	**$0**	$0	69%
Portland	**Nooksack**	919	45%	$453,873	**$24,000**	$26	46%
Portland	**Nw Band Of Shoshoni**	127	89%	$0	**$0**	$0	89%
Portland	**Port Gamble**	1,294	40%	$802,593	**$43,000**	$33	41%
Portland	**Puyallup**	7,768	56%	$736,802	**$40,000**	$5	56%
Portland	**Quileute**	564	38%	$385,354	**$21,000**	$37	39%
Portland	**Quinault**	2,442	66%	$0	**$0**	$0	66%
Portland	**Samish**	182	119%	$0	**$0**	$0	119%
Portland	**Sauk-Suiattle**	171	109%	$0	**$0**	$0	109%
Portland	**Shoalwater Bay**	420	118%	$0	**$0**	$0	118%
Portland	**Shoshone-Bannock**	6,039	60%	$0	**$0**	$0	60%
Portland	**Siletz**	4,706	44%	$1,970,417	**$106,000**	$23	45%
Portland	**Skokomish**	734	66%	$0	**$0**	$0	66%
Portland	**Spokane**	2,057	69%	$0	**$0**	$0	69%
Portland	**Snoqualmie**	125	92%	$0	**$0**	$0	92%
Portland	**Squaxin Island**	690	71%	$0	**$0**	$0	71%
Portland	**Stillaguamish**	198	84%	$0	**$0**	$0	84%
Portland	**Suquamish**	401	95%	$0	**$0**	$0	95%
Portland	**Swinomish**	1,027	67%	$0	**$0**	$0	67%
Portland	**Tulalip**	3,305	40%	$1,908,059	**$102,000**	$31	41%
Portland	**Umatilla**	2,827	70%	$0	**$0**	$0	70%
Portland	**Upper Skagit**	452	31%	$381,360	**$20,000**	$44	32%
Portland	**Warm Springs**	5,221	77%	$0	**$0**	$0	77%
Portland	**Yakama**	12,224	51%	$2,723,081	**$146,000**	$12	51%
Portland	**Western Oregon (Chemawa)**	2,663	44%	$1,215,788	**$65,000**	$24	45%
Portland Total		**94,124**	**55%**	**$20,942,205**	**$1,127,000**	**$12**	**56%**
Tucson	**Tonono O'Odham**	17,884	53%	$2,812,942	**$151,000**	$8	54%
Tucson	**Yaqui**	5,522	60%	$38,686	**$10,000**	$2	60%
Tucson Total		**23,406**	**51%**	**$2,851,629**	**$161,000**	**$7**	**52%**
Grand Total		**1,387,982**	**51%**	**$411,012,313**	**$23,000,000**	**$17**	**52%**

Tab B

Guidance for FY 2002 $23 Million IHCIF

This guidance for utilization of funds was issued with the formal funds allowances to IHS Area directors.

March, 2002

ALLOCATION & EXPENDITURE GUIDANCE
for $23 Million in the FY 2002
Indian Health Care Improvement Fund (IHCIF)

Allocation Methodology for FY 2002

The Director, IHS has decided to adopt the Indian Health Care Improvement Fund (IHCIF) allocation recommendations from the FEHBP Disparity Index (FDI) Workgroup. The decision memo and allocation tables are attached. Details for the FY 2002 IHCIF allocation are posted on the IHS website under Nation-wide Programs – Federal Disparity Index

Distribution Tables

Tables showing the IHCIF distribution among all IHS Areas are attached to the allowance transmittals. Local units within each IHS Area are listed in the second column labeled "Operating Unit". Amounts for qualifying units are listed in the 6th column labeled "IHCIF Allocation". Operating units above the 60% average receive no IHCIF funds in FY 2002. The $23 million IHCIF is only 5.6% of $408 million necessary to raise 169 operating units to the 60% level. The formula also gives more funds to operating units with the lowest funding percentages.

Distribution Among Units Within the IHS Area

Not all units identified in the table are self-contained units. The national application of the allocation methodology may incompletely account for certain complexities and variations in and among local level operating units. The Area Office, after consultation with affected parties, may distribute IHCIF operating unit funds among the constituent parts of operating units or among relevant operating units based on actual service usage patterns or similar equitable measures consistent with the governing language in section 1621 of the Indian Health Care Improvement Act. Language governing distribution of IHCIF funds specifies distribution criteria based on "health status and resource deficiency" taking into account "cost of providing health care services given local geographic, climatic, rural, and other considerations."

Purpose and Use of Funds (Section 1621 of Indian Health Care Improvement Act)

The Secretary is authorized to expend funds which are appropriated under the authority of this section, through the Service, for the purposes of -

(1) eliminating the deficiencies in health status and resources of all Indian tribes,

(2) eliminating backlogs in the provision of health care services to Indians,

(3) meeting the health needs of Indians in an efficient and equitable manner, and

(4) augmenting the ability of the Service to meet the following health service responsibilities, either through direct or contract care or through contracts entered into pursuant to the Indian Self-Determination Act (25 U.S.C. 450f et seq.), with respect to those Indian tribes with the highest levels of health status and resource deficiencies:

(A) clinical care (direct and indirect) including clinical eye and vision care;

(B) preventive health, including screening mammography in accordance with section 1621k of this title;

(C) dental care (direct and indirect);

(D) mental health, including community mental health services, inpatient mental health services, dormitory mental health services, therapeutic and residential treatment centers, and training of traditional Indian practitioners;

(E) emergency medical services;

(F) treatment and control of, and rehabilitative care related to, alcoholism and drug abuse (including fetal alcohol syndrome) among Indians;

(G) accident prevention programs;

(H) home health care;

(I) community health representatives; and

(J) maintenance and repair.

Recurring Distribution

The Director, IHS has decided to distribute the $23 million IHCIF on a **recurring** basis beginning with FY 2002. The IHS will annually assess and update the IHCIF allocation formula in subsequent years as additional IHCIF funds are appropriated.

Tab C

March 26, 2002 IHCIF recommendations from the FDI Workgroup

This 7 page letter provides review of the IHCIF methodology and includes recommendations for the FY 2002 allocation formula.

March, 2002

March 26, 2001

Dear Dr. Trujillo;

In FY 2000 and FY 2001, the Federal Disparity Index (FDI) workgroup, originally named the Level of Need Funded workgroup, developed a methodology for measuring gaps in health care funding to Indian people. The study found that Indian Health Service (IHS) funding was less than 60 percent of actuarially priced coverage if American Indians and Alaska Natives (AI/AN) were covered in the Federal Employees Health Benefit Plan. The workgroup also recommended a formula for distributing the Indian Health Care Improvement Fund (IHCIF) to tribes based on specifications contained in section 1621(a)4 of the Indian Health Care Improvement Act which requires the IHS to address deficiencies for "…those Indian tribes with the highest levels of health status and resource deficiencies."

In fiscal year 2001, the Indian Health Service (IHS) conducted extensive tribal consultation, including three regional forums and a national forum, on the IHCIF allocation methodology. After additional consultation with tribal leaders, in April 2001 you adopted an IHCIF formula that distributed $40 million on a recurring basis to local operating units.

The FDI workgroup recently met March 19 and 20, 2002 to accomplish an annual review of the IHCIF allocation methodology applied with updated data. After reviewing the IHCIF formula and considering its application with revised data, *the workgroup reaffirmed with no substantive changes the IHCIF formula adopted in FY 2001 after extensive tribal consultation*.

Before summarizing our recommendations, it is appropriate to briefly review the history of the equity issue as a means of placing in context our recommendations concerning the FY 2002 Indian Health Care Improvement Fund (IHCIF).

BACKGROUND

The provision of a broad scope of health and public health services to the American Indian and Alaska Native (AI/AN) Tribes is a continuing responsibility of the U.S. government. Historically, these services have been provided through annual discretionary funding provided to the IHS. Over the past thirty years there has developed a chronic pattern of under funding. In recent years, the Congress has failed to provide sufficient funds to address even natural population growth and medical inflation. The resulting erosion of buying power has contributed to the disparity in health status among AI/AN communities.

In 1992 the Congress attempted to address this situation through the enactment of Section 1621 of the Indian Health Care Improvement Act, which authorized the IHCIF for "eliminating the deficiencies in health status and resources of all Indian tribes". Sadly no funds were appropriated to the IHCIF until eight years later. In December 1998 you created the LNF Workgroup and assigned to us the responsibility to develop a methodology to identify the health status and resource deficiency for each tribe as required in the Act.

In developing the methodology, the Workgroup has tried to uphold core principles of comparability and credibility based on objective data. Fundamentally, the FDI methodology makes an "apples to apples" comparison between the cost of service provided to the IHS active users and the cost of services provided by the Federal Employees Health Benefit Package, a mainstream health plan available to federal employees through out the nation. This comparison addresses personnel health care services, the core activity of the agency, but not the full scope of IHS services which include critical public health, environmental, and community sanitation programs. The approach we selected is based on an actuarial analysis of the IHS active user population that seeks to identify health care funding for AI/AN that is comparable to other Americans of similar age and health characteristics.

REVISED AND UPDATED DATA

The most important change in the FY 2002 IHCIF allocation formula is the use of more recent data. A message universally expressed during LNF consultations last year was concern about dated and inaccurate data. We understand the IHS has worked to improve user counts for FY 2001 and to revise the national tabulation process to more accurately exclude individuals with duplicate records. We understand there is continuing concern about the user counts issued by the IHS on March 1, 2002, especially regarding adequate time for tribal consultation. After reviewing the FY 2001 user counts, we conclude they are more recent and more accurate than FY 1998 user counts and should be used in the IHCIF allocation formula. Below is a list of updated data elements that we recommend for use in the IHCIF formula. In the last section of this paper, we offer additional recommendations to improve data.

- FY 2001 User Count – The IHS user definition counts members of federally recognized tribes residing in a Contract Health Service Delivery Area (CHSDA) who visited an IHS or tribal health care program at least once during a three year period from October 1999 through September 2001. Applying this definition, the updated user count as of September 30, 2001 is 1,346,520. We understand that the apparent reduction of 55,000 users compared to FY 1998 is not, in fact, fewer real persons. Rather, more accurate tabulations eliminated substantial duplication in 1998 counts. As a result, the total IHS user count is approximately 3% less than the artificially elevated 1998 user counts. It is important to keep in mind that user counts for the 244 operating units were individually variable, e.g., some operating unit counts decreased by more than 10%, some increased by more than 10%, and still others remained essentially unchanged. Relative differences in FY 2002 operating unit allocations compared to FY 2001 operating unit allocations are due in large part to revised user counts (FY 2002 operating unit allocations are less in general because only $23 million is available in FY 2002 compared to $40 million in FY 2001).
- User Add-On from Non-CHSDA areas – Consistent with our recommendations last year, we add counts in the IHCIF formula for users who met all criteria in the user definition except residing within boundaries of a IHS CHSDA. This adds an additional 39,342 users for a total count of 1,385,862 for purposes of the IHCIF allocation formula.
- 11.2% Medical Inflation – The benchmark price per user for a personal health care benefits package was $3,221 in 2000. For FY 2001, we have inflated the price benchmark by 11.2%,

which is the overall percentage increase for employer sponsored health plans reported in a large national survey (Mercer Foster Higgins). The revised price benchmark is $3,582 per user, an increase of $361 compared to FY 2000. This single factor – 11.2% inflation for medical care in FY 2001 – has increased the cost to fully fund a mainstream benefits package for IHS users to $4.96 billion, an increase of $500 million over the FY 2000 estimate.

- No New Data on Other Coverage – Our estimate of health care payments for AI/AN by other sources remains at 25% of total cost of the benefits package, e.g., $895 per user in 2001. Discounting the $3,582 price benchmark by $895 gives a net price of $2,687 per user and results in a net benefits package cost to IHS of $3.72 billion.
- Updated Health Status Data – We have revised the health status factors in the model to reflect more recent data provided by the IHS Office of Program Statistics. The health status indicators are used to adjust for cost variations resulting from differing health conditions of the user population residing in each IHS Area.
- Updated IHS Available Resources – IHS Area Offices have updated a detailed line-item accounting of all IHS funds distributed to operating units in FY 2001. Total IHS funding in FY 2001 was approximately $330 million more than in FY 2000. Consistent with our methodology last year, we have discounted available resources to the extent the funds were used for purposes not in the benchmark personal health care benefits package, i.e., wrap-around items such as sanitation facilities and public health functions.
- Geographic Price Variations are Unchanged – Geographic variations in medical price indices are substantially stable year-to-year. No changes were made to this factor this year. Similarly, the workgroup granted price adjustments for high costs of remoteness and harsh climate that were documented for Alaska operating units in FY 2000. The Alaska price adjustments and exclusions were revised to reflect documented costs in FY 2001.
- Variations in Operating Unit Cost – The methodology adjusts the benchmark price among operating units for differences in economies of scale (unit prices for small operating units are adjusted higher compared to large operating units). No changes were made to this computation for FY 2001, although modest changes for individual operating units result from updated user counts.
- Poverty Data are Unchanged – No new data on the percentage of AI/AN below the poverty line were available this year. These data are unchanged in the FY 2002 formula.

REAFFIRMED THE IHCIF RESOURCE ALLOCATION FORMULA

Applying FY 2001 data, the model estimated that $3.72 billion was needed by IHS to assure personal health care services to IHS active users that are comparable to those available to federal employees. The IHS expended $1.92 billion in FY 2001 for personal medical services – a funding ratio of 52% of need compared to 51% of need in FY 2000. The 1% net improvement in FY 2001 is a consequence of higher medical prices offset by a lower user count and increased appropriations to IHS. For the same time period, IHS expended $.78 billion for community sanitation projects, public health programs, and other services not covered in the benchmark personal health care benefits package. The model does not estimate needed resources for these "wrap-around" health programs.

The model provides a "snap-shot" in time of the needs and funding of the Indian health care system, .e.g., a recent fiscal year in which user counts and funding are fully identified for the 244 operating units of the Indian health system. We consider the following estimates applicable to a snap-shot ending September 30, 2001. These estimates do not consider additional population growth, additional medical inflation, or funding distributed to operating units after September 30, 2001.

- Personal health care benefits package price benchmark = $3,582 per user annually
- Cost to fully fund a benefits package for 1,385,000 users = $4.96 billion
- Price benchmark net of other coverage = $2,687 per user annually
- Balance of cost to IHS = $3.72 billion
- IHS expenditures for personal health care = $1.92 billion
- IHS personal health care expenditures per user = $1,384
- Personal health care benefits package funding percentage = 52%
  ($1,384 expenditures per user / $2,687 benchmark price per user)

  - 62 OUs less than 40% ($44 million shortfall)
  - 169 OUs less than 60% ($408 million shortfall, cumulative)
  - 219 OUs less than 80% ($1.1 billion shortfall, cumulative)
  - 229 OUs less than 100% ($1.8 billion shortfall, cumulative)
- IHS expenditures for "wrap-around" programs = $.78 billion
- "Wrap-around" expenditures per user = $568

After considering these results, *the workgroup reaffirmed with no substantive changes the IHCIF formula adopted by the IHS in FY 2001 after extensive tribal consultation*. The elements that we reaffirmed include:

1. The FY 2002 formula allocates the $23 million IHCIF to only those operating units that are funded at less than 60%. The results show that 169 operating units are below 60% and will qualify for a portion of the IHCIF. The $23 million available in FY 2002 provides only 5.6% of $408 million necessary to raise 169 operating units to 60%. Among the 169 operating units qualifying for IHCIF funds, the formula gives proportionately more funds to the least well funded operating units. Additionally, every operating unit is guaranteed funding to achieve at least 30%. This is consistent with the approach in FY 2001 and with Congressional direction to focus Indian Health Care Improvement funds to tribes that are "most in need".

2. The Congress urged consideration for a minimum allocation to operating units that qualify for IHCIF funds. The workgroup set a minimum allocation of $10,000 per operating unit last year. The $10,000 minimum is continued for FY 2002 allocations.

3. The workgroup reaffirmed that the $23 million FY 2002 IHCIF be allocated to local operating units and that such allocations be made recurring to the operating unit in years thereafter.

4. The workgroup reaffirmed the "IHCIF allowance guidance" provided by IHS headquarters to Area Offices acknowledging an opportunity for adjustments among Area operating units when determined with participation by Area tribes and Area operating units.

5. The Workgroup reaffirmed the need for review and improvement of the IHCIF formula on an annual basis. Members believe that a mid-year Workgroup meeting before the next allocation cycle would provide an opportunity for improving the methodology without the undue pressure of a "winners and losers" scorecard. Workgroup members re-elected Mr. James Crouch to continue as Tribal co-chair and urge you to retain Mr. Cliff Wiggins as Federal co-chair.

CONTINUING ISSUES OF CONCERN

There is a list of serious and in some cases long standing issues of concern that the workgroup identified last year and that the IHS did not fully resolve in 2001. We again urge the IHS to address these as quickly as possible. Although the Workgroup recognizes that the IHS has made considerable efforts in 2001 to improve data collection systems, especially for user counts, these efforts have yet to accomplish all their goals. Sufficient resources must be marshaled at all levels to overcome these problems.

A theme heard consistently in all three regional consultation meetings is the need for a rigorous data driven formula to identify funding needs for public health, outreach and environmental health services not addressed in the FDI methodology. We understand this "wrap-around" effort is now beginning. We urge you proceed expeditiously.

A significant portion of the tribal leaders who participated in the regional consultation meetings expressed opinions that the methodology should not include third party coverage available to Indian people including Medicaid, Medicare, private health insurance and the Children's Health Insurance Program (S-CHIP). This opinion is driven in part by a feeling that increased reliance on these funding sources represents a rollback of the federal trust responsibility to Indian Tribes. Another reason expressed is that access to health care for Indian people should not be subject to means testing. Inclusion of these resources in the FDI methodology, however, is responsive Congressional directives established in statute in Section 1621 of the Indian Health Care Improvement Act. The Workgroup urges that you communicate as forcefully as possible to the Administration the critical role that the IHS plays in providing access to heath services and coverage to the Indian community.

The Centers for Medicare/Medicaid Services (CMS) is the second largest funding source for health care services to the Indian community through its Medicaid, Medicare and S-CHIP programs. This activity has created a large body of encounter level data on health care services to AI/AN. Unfortunately there is a high level of misidentification of Indian Tribal status in this database. The IHS active user data set clearly identifies the Indian population that depends on the IHS as its primary health care provider. Matching these two data sets would provide the information to more fairly identify third party coverage by operating

unit. And, perhaps more importantly, it would provide the encounter level information necessary to update the cost benchmark for personal medical services. We understand the IHS has begun collaborating with CMS to share databases and match joint Medicare AI/AN beneficiaries. We also understand you have plans for similar statistical tabulations for matched Medicaid AI/AN joint beneficiaries. We urge you to complete this work.

We were briefed by telephone conference about a large CMS research project to investigate the extent and causes for gaps in AI/AN use and eligibility for CMS entitlements. Such information will be useful for some purposes, but we are disappointed that the study will not quantify the financial gap. We need this data to credibly update our cost benchmark to reflect meaningful differences in third party coverage among states, IHS Areas, and operating units. We believe this data is essential to promote real funding equity.

In the past several years, a significant number of tribes and health programs have responded to the lack of federal facility construction funding by entering into long-term debt to finance replacement of old and inadequate health care facilities. An extensive study done by the National Indian Health Board has documented the importance of this trend to the viability of the IHS funded health care delivery system. Servicing construction debt is generally accomplished through a long-term commitment of third party income, which would otherwise be available for the provision of health care services to tribal members. The task group recommends that the IHS develop a national database that would identify any health facility financing costs incurred by tribes so that any debt payments may be discounted from the FDI methodology.

The Workgroup again added counts of AI/AN who live outside of designated Contract Health Service Delivery Areas (CHSDA) and who regularly obtain direct care services in IHS and tribal health facilities though they are ineligible for referral under CHS. This approach rightly identifies the financial burden of providing care to these persons. Workgroup members remained concerned about the official IHS user definition and recommend that IHS fully explore legal, financial, and technical ramifications of revising the definition.

The Workgroup offers the following recommendations in recognition of the importance of timely, high quality data that is essential for determining accurate user counts and for many other worthwhile purposes:

- IHS should continue to improve methods for aggregation and tabulation of local user data into national user counts
- IHS and tribes must target additional resources to improve data collection and data quality in the front lines at operating units
- Additional funding is necessary for growing costs of broad band telecommunications links that are increasingly essential in everyday work at operating units
- Health system managers and tribal health leaders recognize that budget justification and accurate resource allocation depend on quality data (e.g., "funds follow data")
- The Workgroup endorses a Restructuring Initiative Workgroup proposal to invest in improved data collection and tabulation at local levels and for better collaboration among operating units

- The Workgroup recommends that the Business Plan Workgroup also address investment in data as a major strategy for the next 5 year business plan
- IHS and tribes should continuously seek a reasonable balance between the benefit of increased data precision and the financial investment in data that is necessary get that benefit

The workgroup acknowledges that Contract Support Costs (CSC) funds are discounted too heavily in the IHCIF allocation model. Many items commonly paid from CSC funds are typical business costs experienced by any mainstream health plan. These costs are financed within the plan's premium structure and, therefore, are included in our actuarially determined benchmark price of $3,582 per beneficiary. The workgroup agreed to discount CSC by 62% to assure that the IHCIF allocation formula is not unfairly biased against tribal contracts. We thought this was necessary because CSC is "on-budget" whereas some expenditures benefiting federal operating units for similar items are "off-budget". The extent of "off-budget" expenditures benefiting federal operating units is unknown at this time. Thus, we exclude "off-budget" federal expenses and 62% of available CSC resources from the personal health care services computation, although both would be more appropriately included in our computation if reliably known. The excluded CSC funds are counted as part of wrap-around total instead. This exclusion artificially lowers available funding for the benefits package by approximately 3-5% depending on the true extent of "off-budget" federal costs. We urge the IHS in the coming year to determine the extent of "off-budget" expenses so that we may appropriately count both those resources and CSC resources in the IHCIF methodology.

The FDI methodology is an actuarial based method of resource planning and distribution. It relies on techniques long used by both private industry and other governmental programs to calculate resource requirements. The Workgroup recommends that the IHS further integrate the approach into its budget development and justification activities. The identification of a $1.8 billion shortfall in IHS funding for personal health care services for fiscal year FY 2001 is solid evidence of a historic under funding of health care for Indian people.

As co-chairs, we thank you on behalf of all Workgroup members for supporting our work and we look forward to hearing your decisions regarding a distribution of the $23 million IHCIF.

James Allen Crouch M.P.H.

Cliff Wiggins, IHS Co-Chair

Enclosures

Tab D

Decision Memo for the FY 2002 IHCIF

March, 2002

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Indian Health Service
Rockville MD 20852

MAR 2 7 2002

TO: Director

FROM: Senior Operations Research Analyst

SUBJECT: Distribution of fiscal year (FY) 2002 Indian Health Care Improvement Fund--ACTION

ISSUE

The Congress appropriated $23 million in fiscal year (FY) 2002 for the Indian Health Care Improvement Fund (IHCIF). This memo recommends for your approval a methodology for distributing the $23 million fund to operating units of the Indian health system.

DISCUSSION

In FY 2000 and FY 2001, the Level of Need Funded (renamed the Federal Disparity Index–FDI) workgroup, developed a methodology for measuring gaps in health care funding to Indian people. The LNF actuarial study found that IHS funding is less than 60 percent compared to mainstream health plans such as the Federal Employees Health Benefit Plan. The workgroup also recommended a formula for distributing the IHCIF to tribes based on specifications contained in section 1621(a)4 of the Indian Health Care Improvement Act which requires the IHS to address deficiencies for "...those Indian tribes with the highest levels of health status and resource deficiencies"

In fiscal year 2001, the Indian Health Service (IHS) conducted extensive tribal consultation, including three regional forums and a national forum, on the allocation methodology. After additional consultation with tribal leaders, in April you adopted an IHCIF formula that distributed $40 million on a recurring basis to local operating units.

The workgroup met March 19-20 2002 to accomplish an annual review of the methodology which is applied to updated data. After reviewing the IHCIF formula and considering its application with revised data, the workgroup reaffirmed with no substantive changes the formula adopted in FY 2001 after extensive tribal consultation.

The workgroup has submitted findings from the recently completed application of the FDI methodology and recommendations for

applying those findings in a formula to distribute the FY 2002 IHCIF among IHS Areas and operating units. The findings and recommendations are enclosed in the package entitled "2002 IHCIF" which is composed of sections A through F:

- Tab A: Table of the FY 2002 IHCIF Distribution among Operating Units
- Tab B: Guidance for the FY 2002 IHCIF Distribution
- Tab C: March 26, 2002 IHCIF Recommendations from the FDI Workgroup
- Tab D: Decision Memo for the FY 2002 IHCIF (copy of this memo)
- Tab E: Key Results and Methodology for FY 2001
- Tab F: IHCIF Chart Series for FY 2001

Please indicate your support for the recommendations by initialing on the "Approved" line.

RECOMMENDATION 1

I am conveying the request of the workgroup that you accept the allocation methodology recommended in their March 26 letter (Tab C) which reaffirms with no substantive changes the formula adopted in FY 2001 after extensive tribal consultation.

APPROVED _____ DISAPPROVED _____ Date 05/3/2002.

RECOMMENDATION 2

I recommend approval of allocations detailed in Tab A which were produced by applying the formula recommended by the workgroup to updated data.

APPROVED _____ DISAPPROVED _____ DATE 05/3/2002.

RECOMMENDATION 3

Because the national application of the allocation methodology may incompletely account for certain complexities and variations in and among local level operating units, and section 1621(b)2a of the Indian Health Care Improvement Act requires that "...funds allocated to each service unit... shall be used to reduce the health status and resource deficiency of ***each tribe*** served by

such service unit", I recommend that an Area Office, after consulting with affected parties, may distribute IHCIF operating unit funds among the constituent parts of operating units based on actual service usage patterns or similar equitable measures. This guidance is detailed in attachment B.

APPROVED PH. DISAPPROVED _____ DATE 05/3/2002.

RECOMMENDATION 4

Given the workgroup reaffirmed the allocation methodology without change for FY 2002 and consistent with many proposals for maintaining stable funding for critically needed health services, I recommend the FY 2002 IHCIF distribution should be ***recurring*** to the operating units in years thereafter.

APPROVED PH. DISAPPROVED _____ DATE 05/3/2002.

Cliff Wiggins

Enclosure

Tab E

Key Results and Methodology for FY 2001

The IHCIF formula adopted in FY 2001 after tribal consultation was reaffirmed without substantive change and was applied to revised and updated data.

March, 2002

FEHBP DISPARITY INDEX
Key Findings for FY 2001

Result	Category
$3,582 per user	• Actuarial price benchmark for AI/AN coverage in a FEHBP type health benefits package for 2001
1,387,982 users	• Active AI/AN user beneficiaries of the Indian health system as of September 30, 2001
$4.96 billion	• Cost of the FEHBP benchmark health benefits package for 1,385,8625 AI/AN users
$2,687 per user	• FEHBP price benchmark net of $896 per AI/AN user for other coverage and payments
$3.72 billion	• Balance of cost needed by IHS for the FEHBP benchmark health benefits package
$1.92 billion	• Actual IHS expenditures for personal health benefits in FY 2001
$1,384 per user	• IHS personal health care expenditures per AI/AN user in FY 2001
52% of need	• IHS funding percentage ($1,384 expenditures per user / $2,687 benchmark price per user)
63 OUs < 40%	• # IHS operating units funded < 40% of the benchmark ($45 million shortfall)
171 OUs < 60%	• # IHS operating units funded < 60% of the benchmark ($411 million shortfall)
231 OUs < 100%	• # IHS operating units funded < 100% of the benchmark ($1.8 billion shortfall)

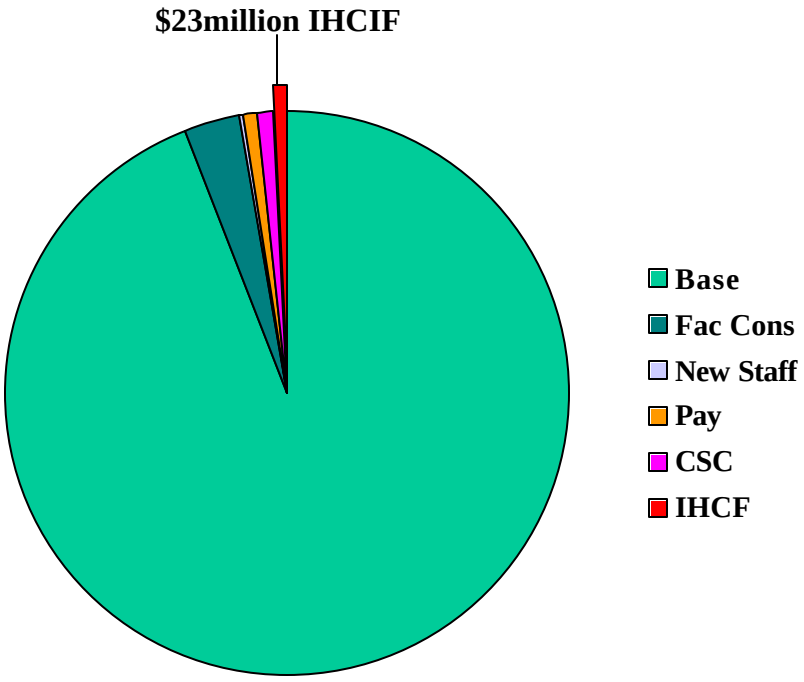
FEHBP DISPARITY INDEX
The methodology updated for 2001

Element	Status
Active Users	• Replaced FY 1998 counts with updated 1,348,640 user count as of September 30, 2001 which is approximately 3% less than the artificially elevated 1998 user counts. Added an additional 39,342 users from Non-CHSDA areas for a total count of 1,387,982.
$3,582 Per User Benchmark	• Inflated the FEHBP $3,221 benchmark premium by 11.2% to $3,582. 11.2% is the US average premium increase in employer sponsored health plans in 2001.
Variation for Size	• Reaffirmed adjustment to benchmark price based on size. The range is $3,154 for units with > 21,000 active users to $4,657 for units with < 900 active users.
Variation for Prices	• Reaffirmed adjustment to benchmark for geographic price variations. The range is $3,251 to $4,370 in the lower 48 states and up to $5,301 in Alaska.
Variation for Health Status	• Reaffirmed adjustment to benchmark for health status based 2/3 disease burden (births, injuries, heart disease, diabetes, cancer, alcoholism and elderly) and 1/3 poverty. The range is $3,314 for best to $4,088 for lowest.
- $895 Per User Other Coverage	• Statute requires counting other (M&M&PI) resources for Indians. $895, 25% of benchmark, is deducted from the $3,582 benchmark. The deduction is 1/2 for operating units with no billable services.
Available IHS $ Per User	• Accounting for IHS funding was improved in FY 2001. Central funds, such as residual and area-wide programs, were identified uniquely for operating units. The IHS expended $1.92 billion in FY 2001 for personal medical services.
Wrap-around Exclusions	• $780 million (28%) of IHS resources were identified as wrap-around and excluded for computations related to the benchmark benefits package.
FEHBP Equivalence %	• The IHS expended $1.92 billion in FY 2001 for personal medical services – a funding ratio of 52% of need compared to 51% of need in FY 2000. The 1% net improvement in FY 2001 is a consequence of higher medical prices offset by a lower user count and increased appropriations to IHS.
60% IHCIF Threshold	• Reaffirmed a threshold of 60% consistent with Congressional direction to target funds to "most under funded units." A $10,000 minimum was set for qualifying operating units.
Recurring Allocations	• Affirmed that the FY 2002 IHCIF ($23 million) is allocated by formula to local operating units and that local IHCIF allocations be made recurring thereafter.

Tab F

IHCIF CHART SERIES

FY 2002
IHS
Appropriations



Pie Chart of FY 2002 IHS Appropriations

March, 2002

Chart 1

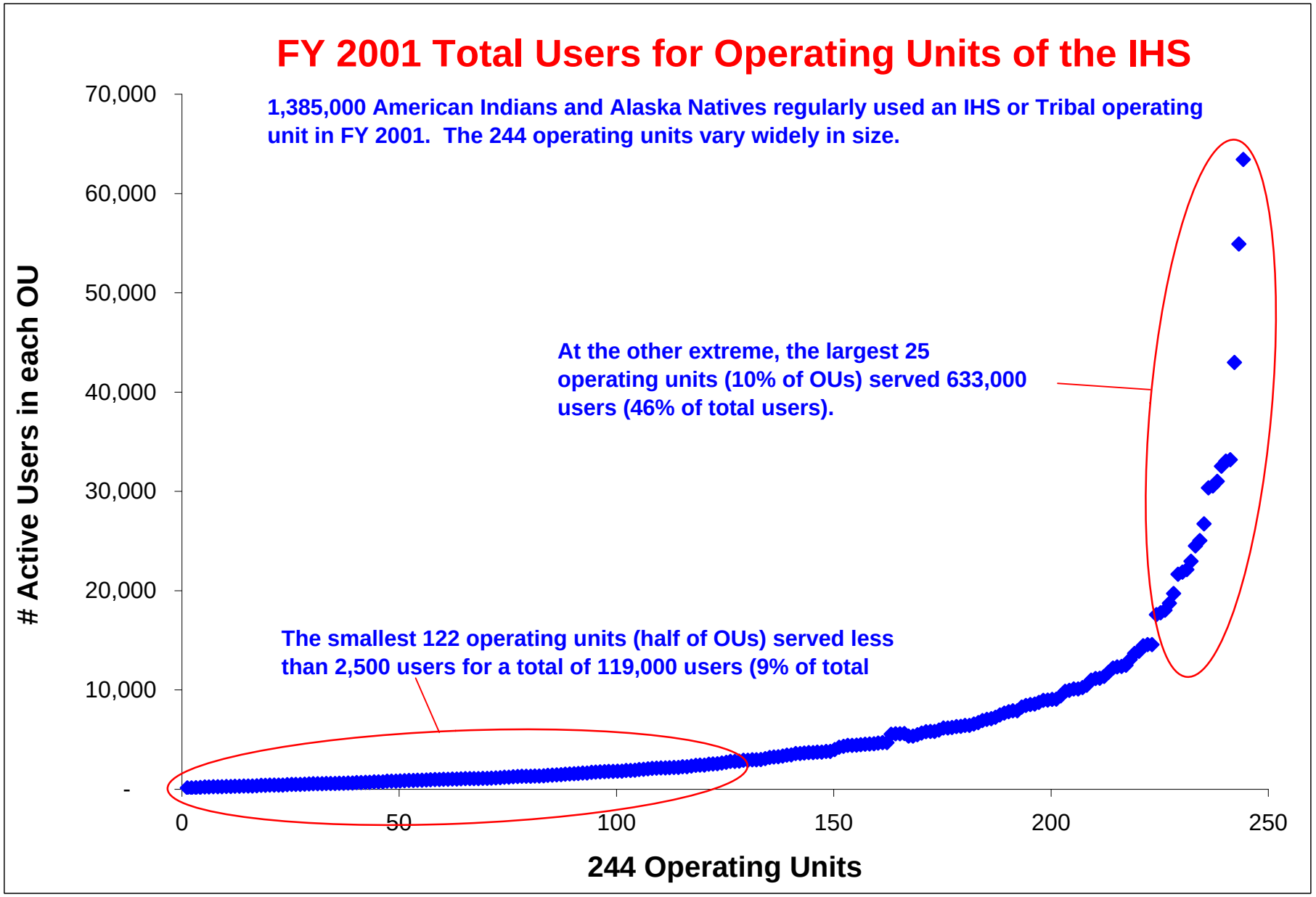

FY 2001 Total Users for Operating Units of the IHS
1,385,000 American Indians and Alaska Natives regularly used an IHS or Tribal operating unit in FY 2001. The 244 operating units vary widely in size.
At the other extreme, the largest 25 operating units (10% of OUs) served 633,000 users (46% of total users).
The smallest 122 operating units (half of OUs) served less than 2,500 users for a total of 119,000 users (9% of total
Active Users in each OU
70,000
60,000
50,000
40,000
30,000
20,000
10,000
-
0
50
100
150
200
250
244 Operating Units

Chart 1a

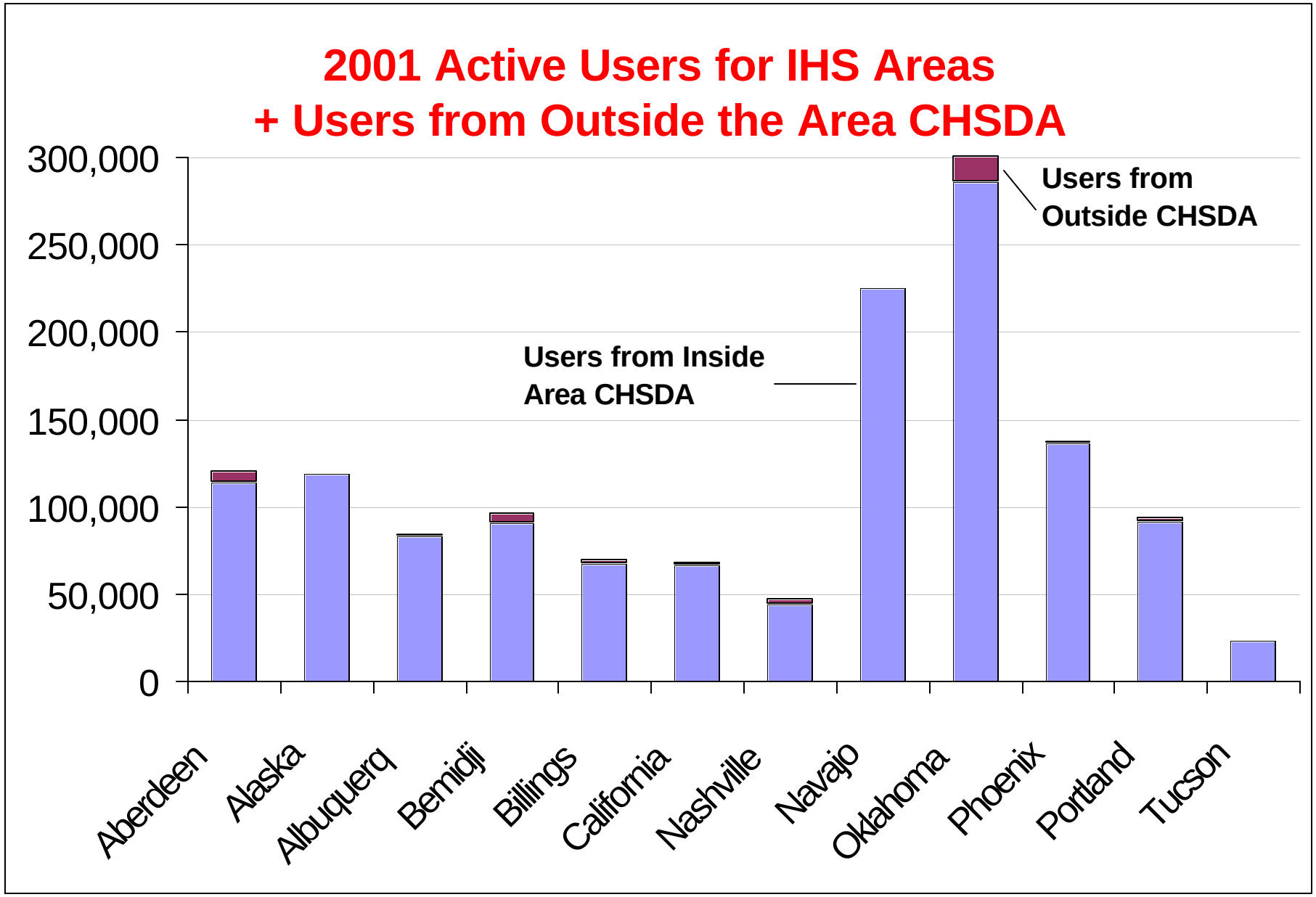

2001 Active Users for IHS Areas
+ Users from Outside the Area CHSDA
300,000
250,000
200,000
150,000
100,000
50,000
0
Users from Outside CHSDA
Users from Inside Area CHSDA
Aberdeen
Alaska
Albuquerq
Bemidji
Billings
California
Nashville
Navajo
Oklahoma
Phoenix
Portland
Tucson

Chart 1b

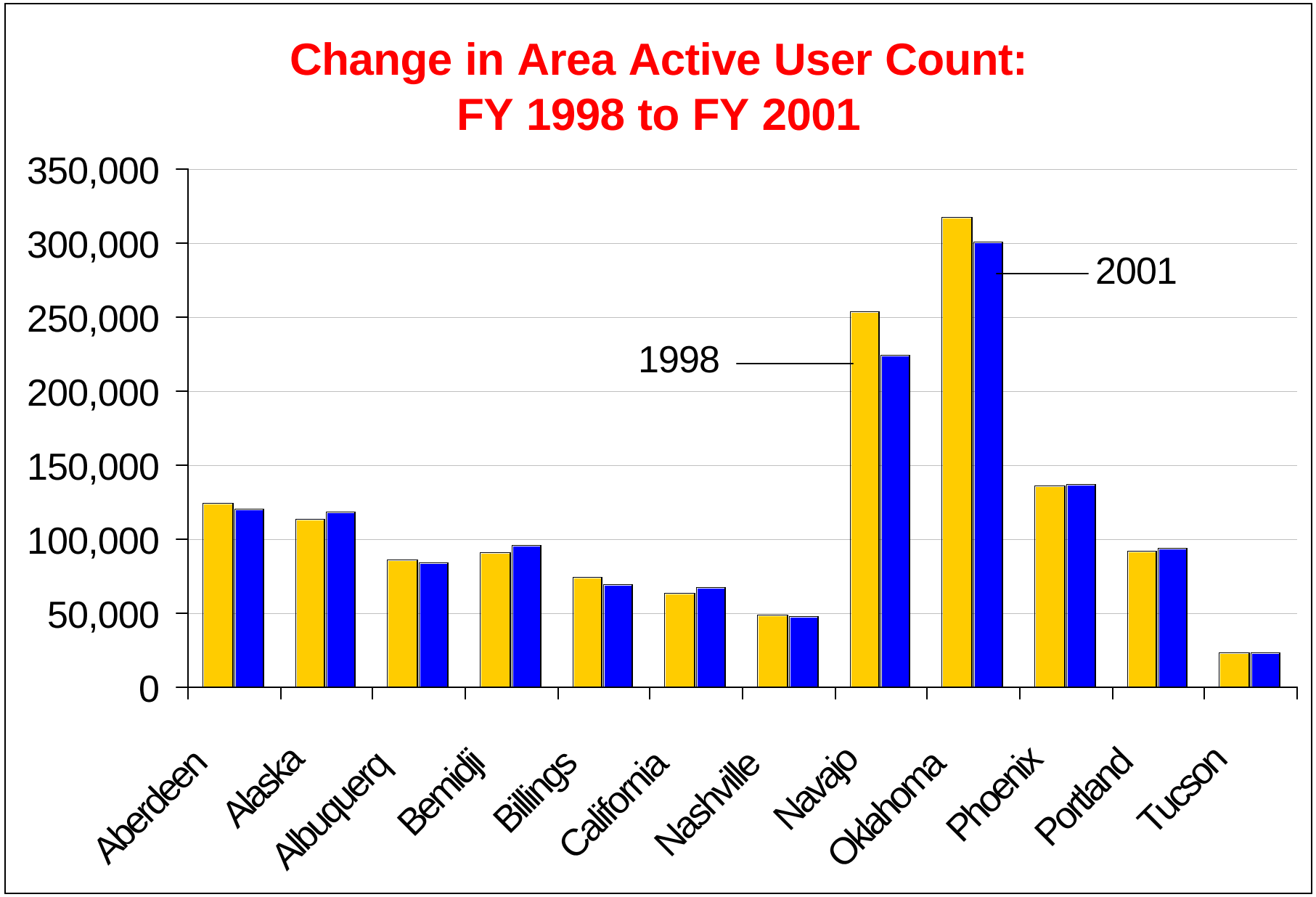

Change in Area Active User Count:
FY 1998 to FY 2001
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
1998
2001
Aberdeen
Alaska
Albuquerq
Bemidji
Billings
California
Nashville
Navajo
Oklahoma
Phoenix
Portland
Tucson

Chart 2

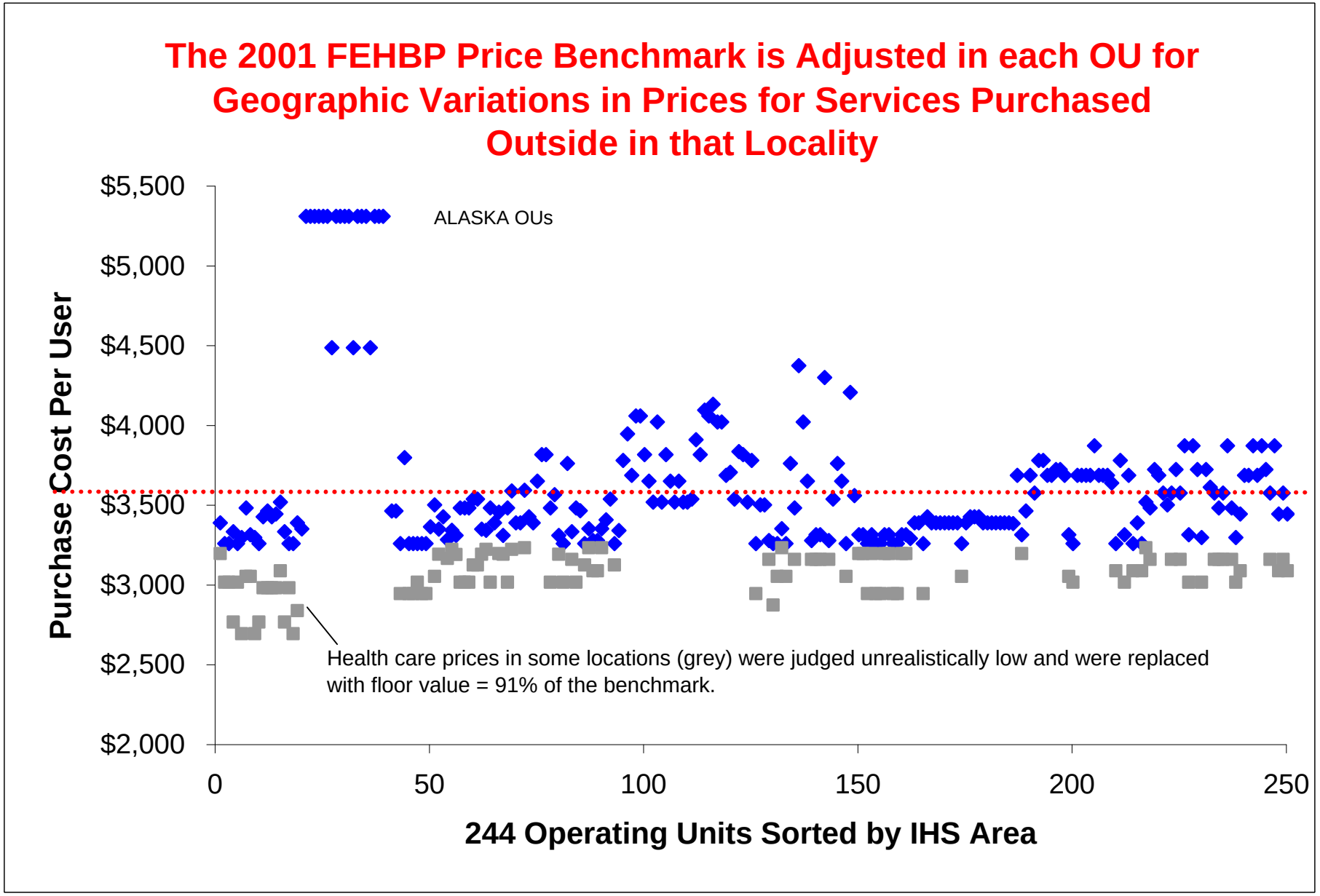

The 2001 FEHBP Price Benchmark is Adjusted in each OU for Geographic Variations in Prices for Services Purchased Outside in that Locality
$5,500
$5,000
$4,500
$4,000
$3,500
$3,000
$2,500
$2,000
Purchase Cost Per User
ALASKA OUs
Health care prices in some locations (grey) were judged unrealistically low and were replaced with floor value = 91% of the benchmark.
0
50
100
150
200
250
244 Operating Units Sorted by IHS Area

Chart 3

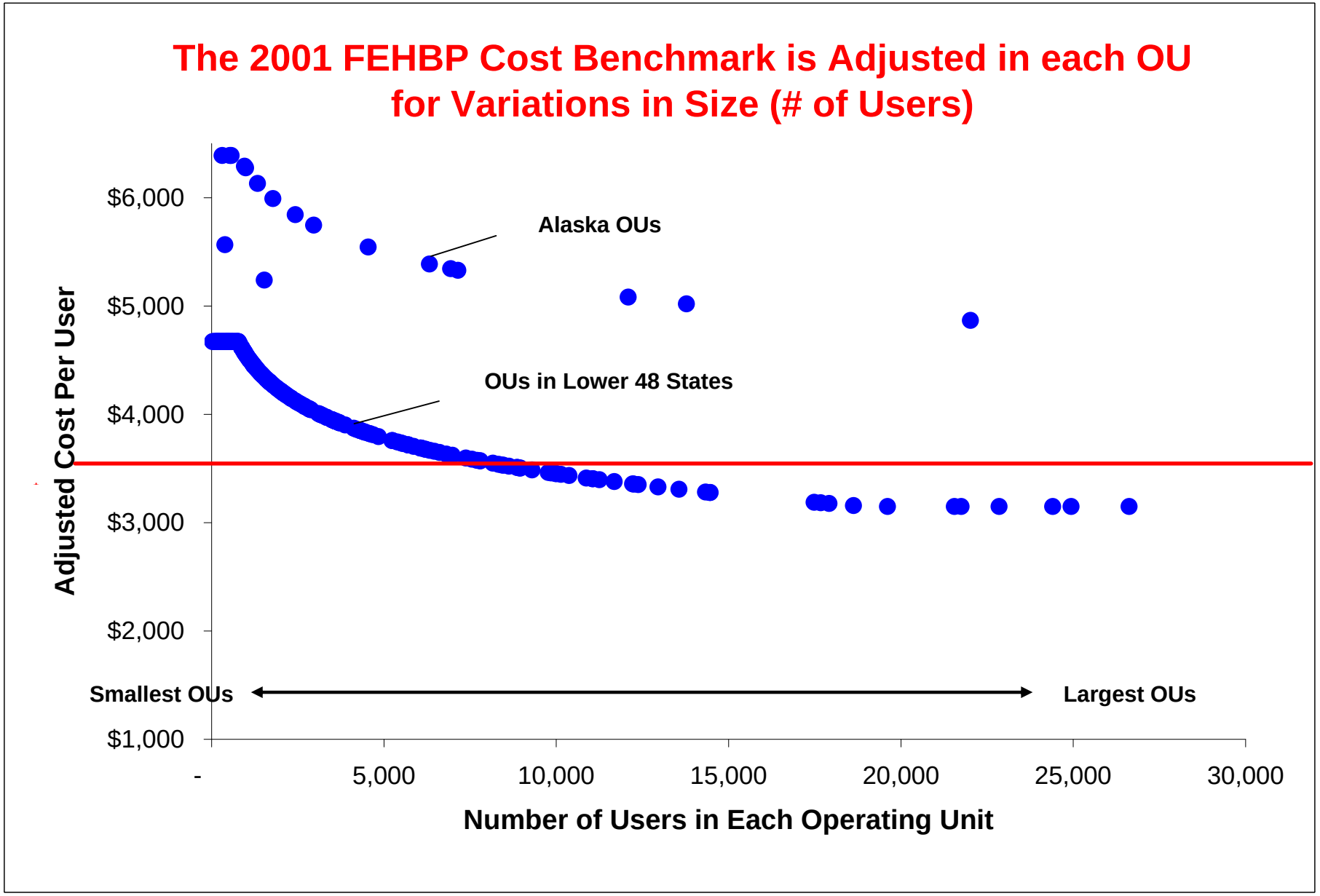
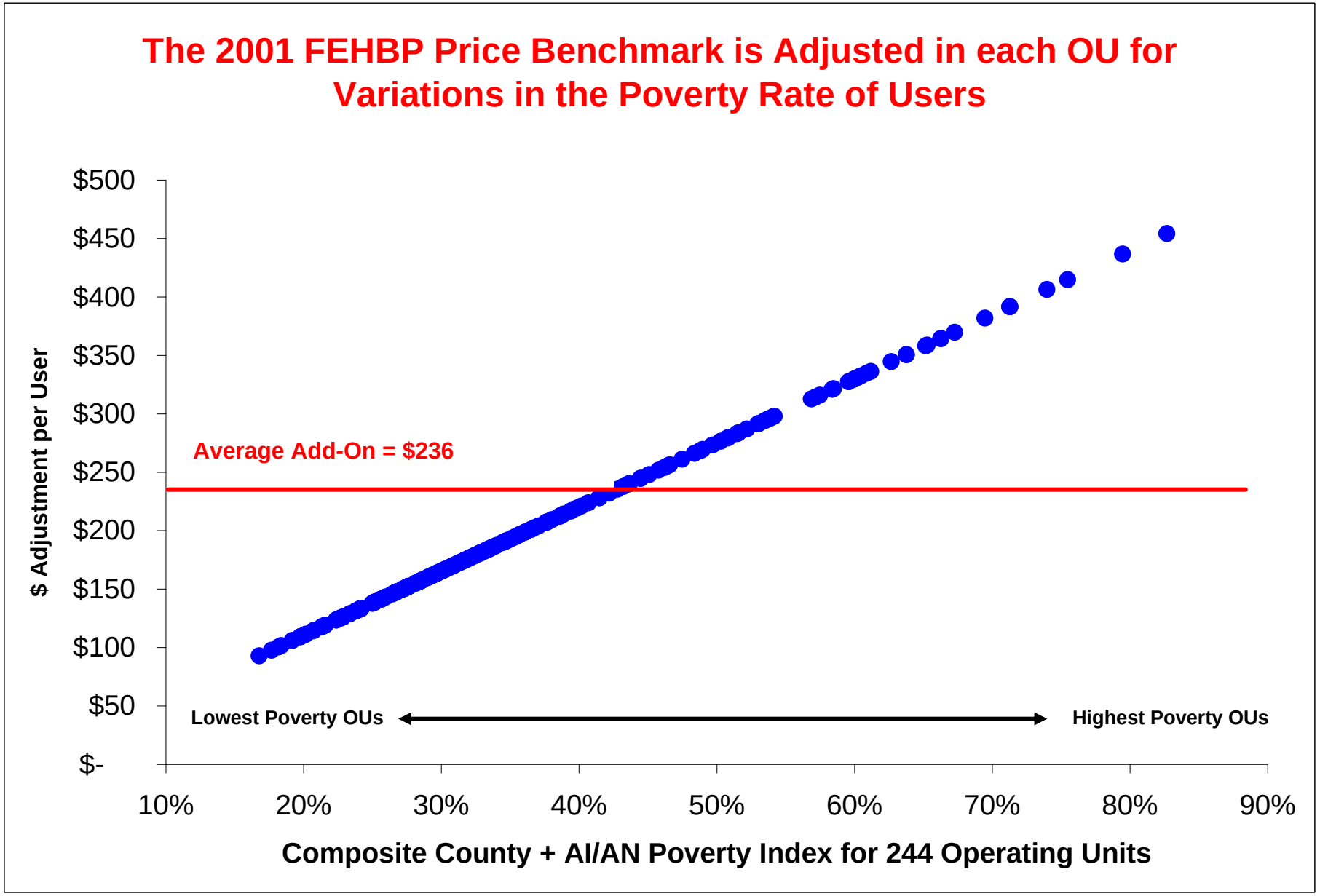
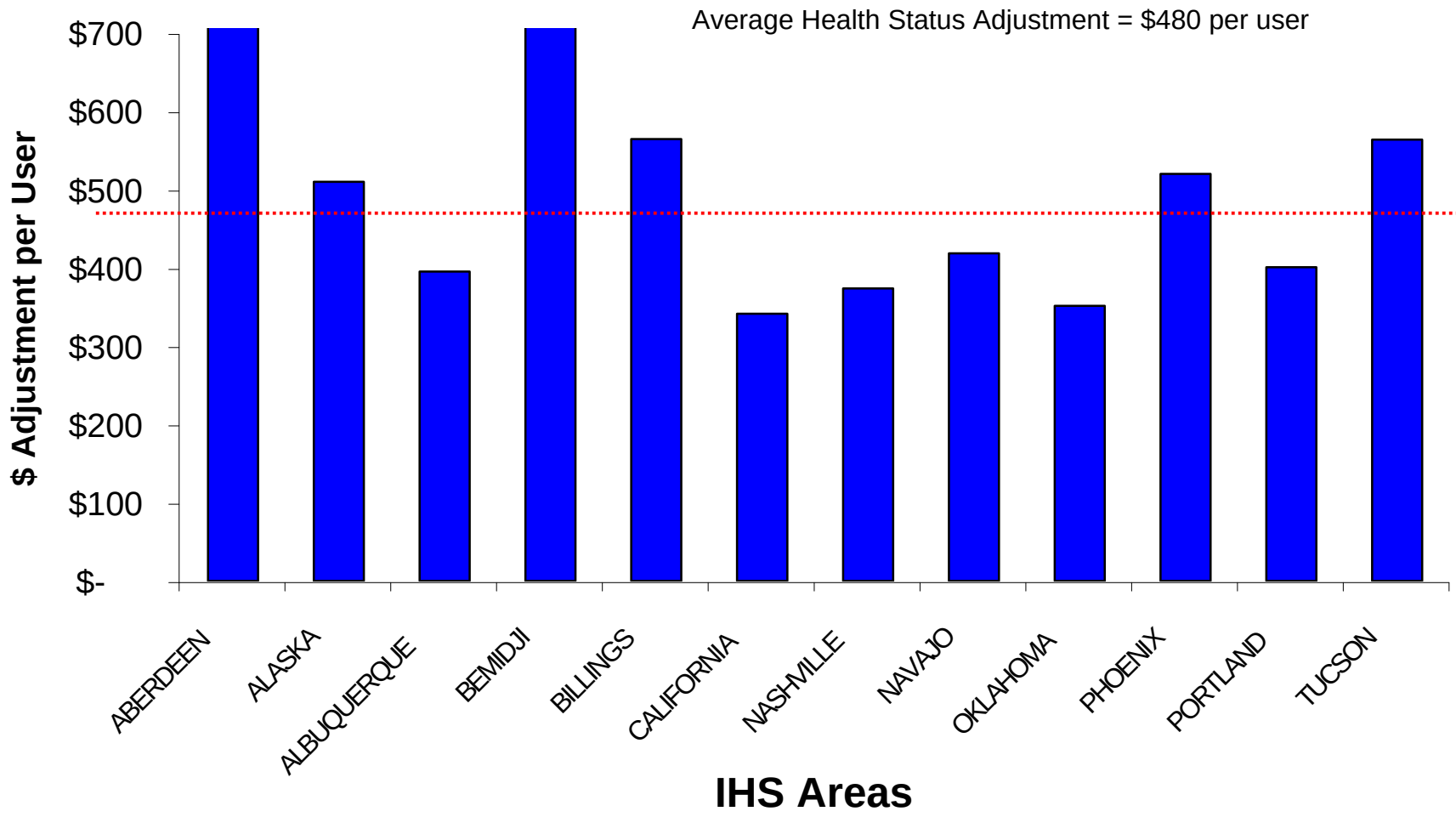

The 2001 FEHBP Cost Benchmark is Adjusted in each OU for Variations in Size (# of Users)
Adjusted Cost Per User
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
Alaska OUs
OUs in Lower 48 States
Smallest OUs
Largest OUs
-
5,000
10,000
15,000
20,000
25,000
30,000
Number of Users in Each Operating Unit

Chart 4


The 2001 FEHBP Price Benchmark is Adjusted in each OU for Variations in the Poverty Rate of Users
$ Adjustment per User
$500
$450
$400
$350
$300
$250
$200
$150
$100
$50
$-
Average Add-On = $236
Lowest Poverty OUs
Highest Poverty OUs
10%
20%
30%
40%
50%
60%
70%
80%
90%
Composite County + AI/AN Poverty Index for 244 Operating Units

The $3,582 FEHBP Benchmark is Adjusted for Area Level Variations in AI/AN Health Status



The 2001 FEHBP Benchmark as Adjusted for the Combination of Poverty and Health Status

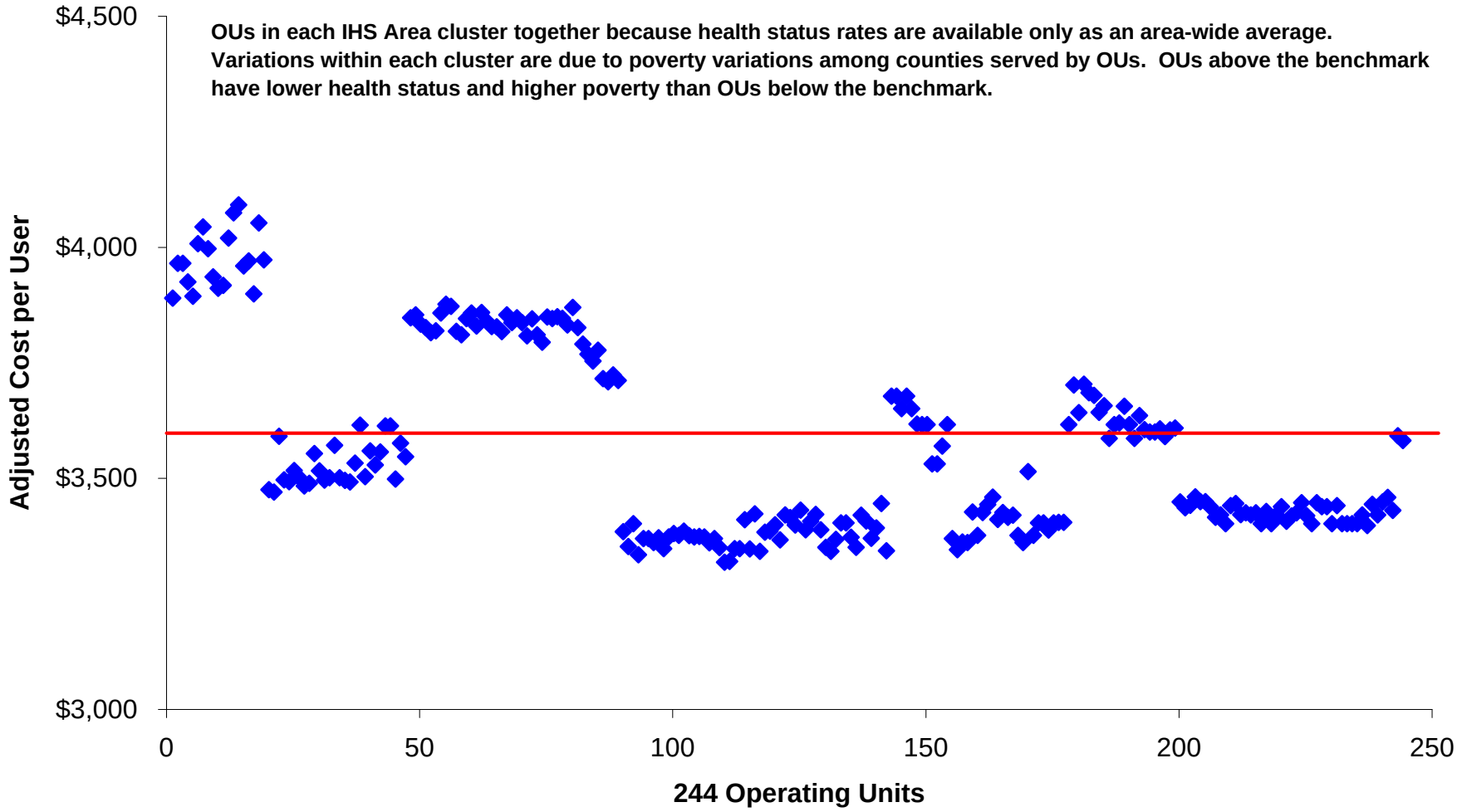
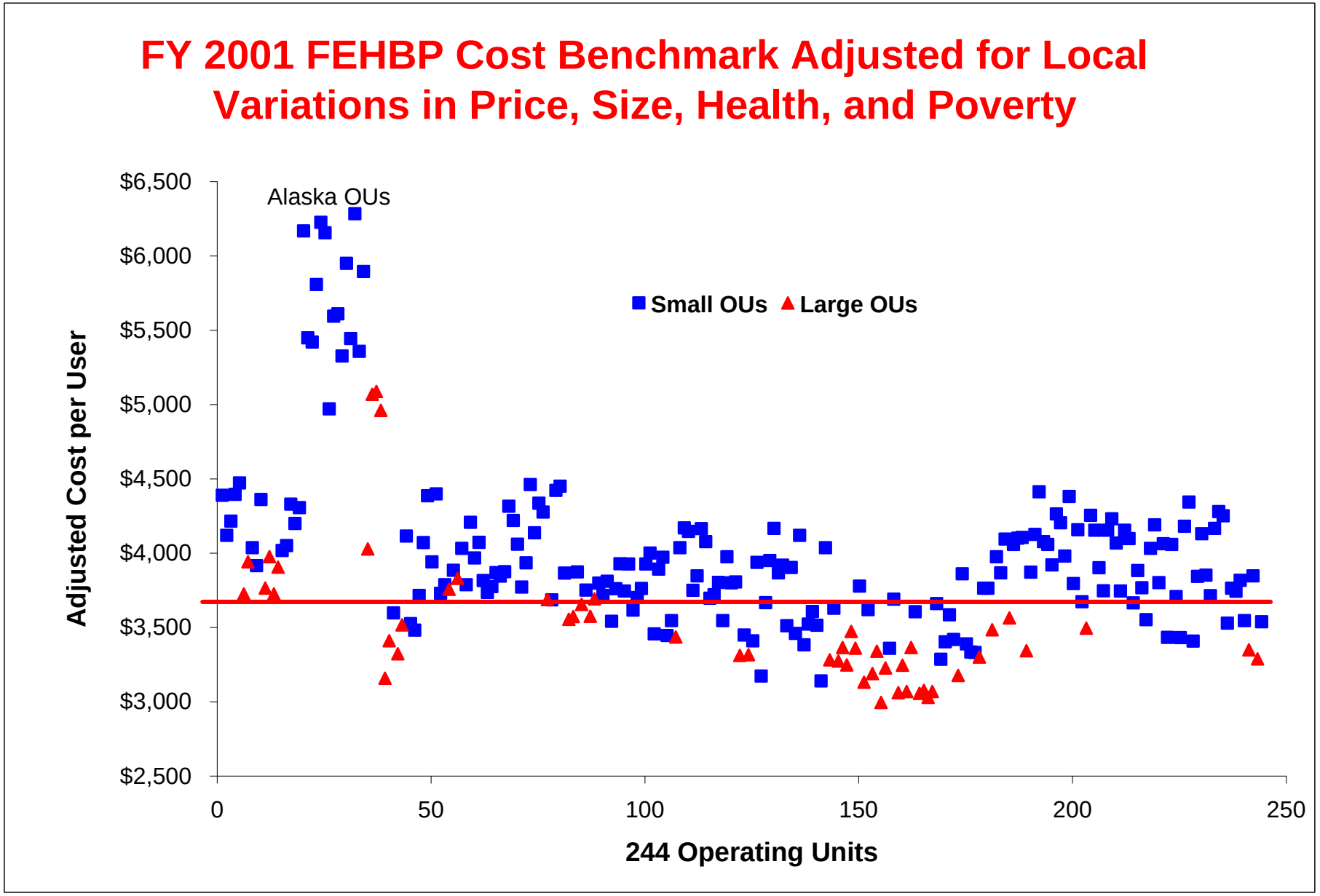


Chart 7


FY 2001 FEHBP Cost Benchmark Adjusted for Local Variations in Price, Size, Health, and Poverty
Alaska OUs
Small OUs
Large OUs
Adjusted Cost per User
$6,500
$6,000
$5,500
$5,000
$4,500
$4,000
$3,500
$3,000
$2,500
0
50
100
150
200
250
244 Operating Units

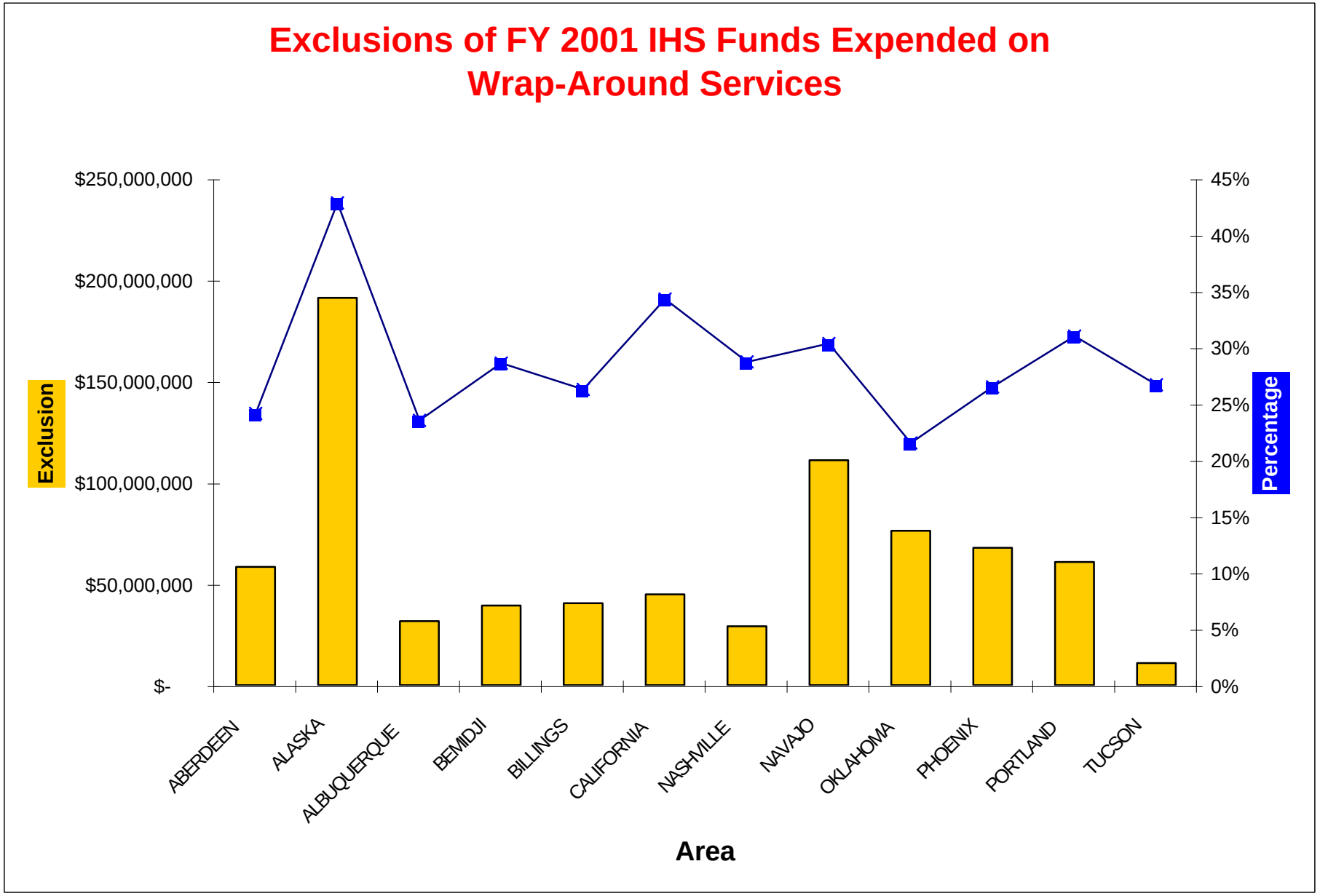

Exclusions of FY 2001 IHS Funds Expended on Wrap-Around Services
$250,000,000
$200,000,000
$150,000,000
$100,000,000
$50,000,000
$-
Exclusion
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
Percentage
ABERDEEN
ALASKA
ALBUQUERQUE
BEMIDJI
BILLINGS
CALIFORNIA
NASHVILLE
NAVAJO
OKLAHOMA
PHOENIX
PORTLAND
TUCSON
Area

Chart 9

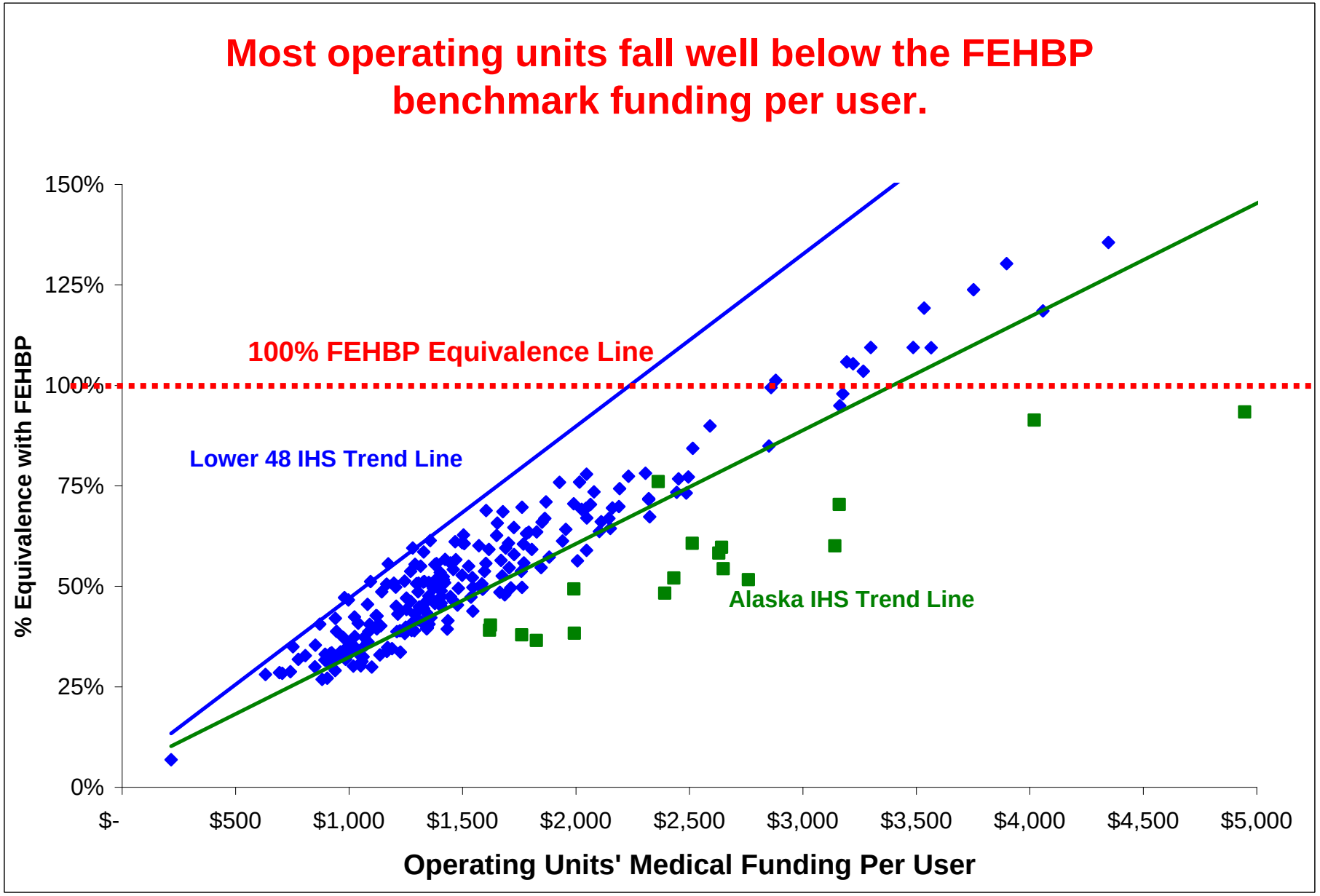
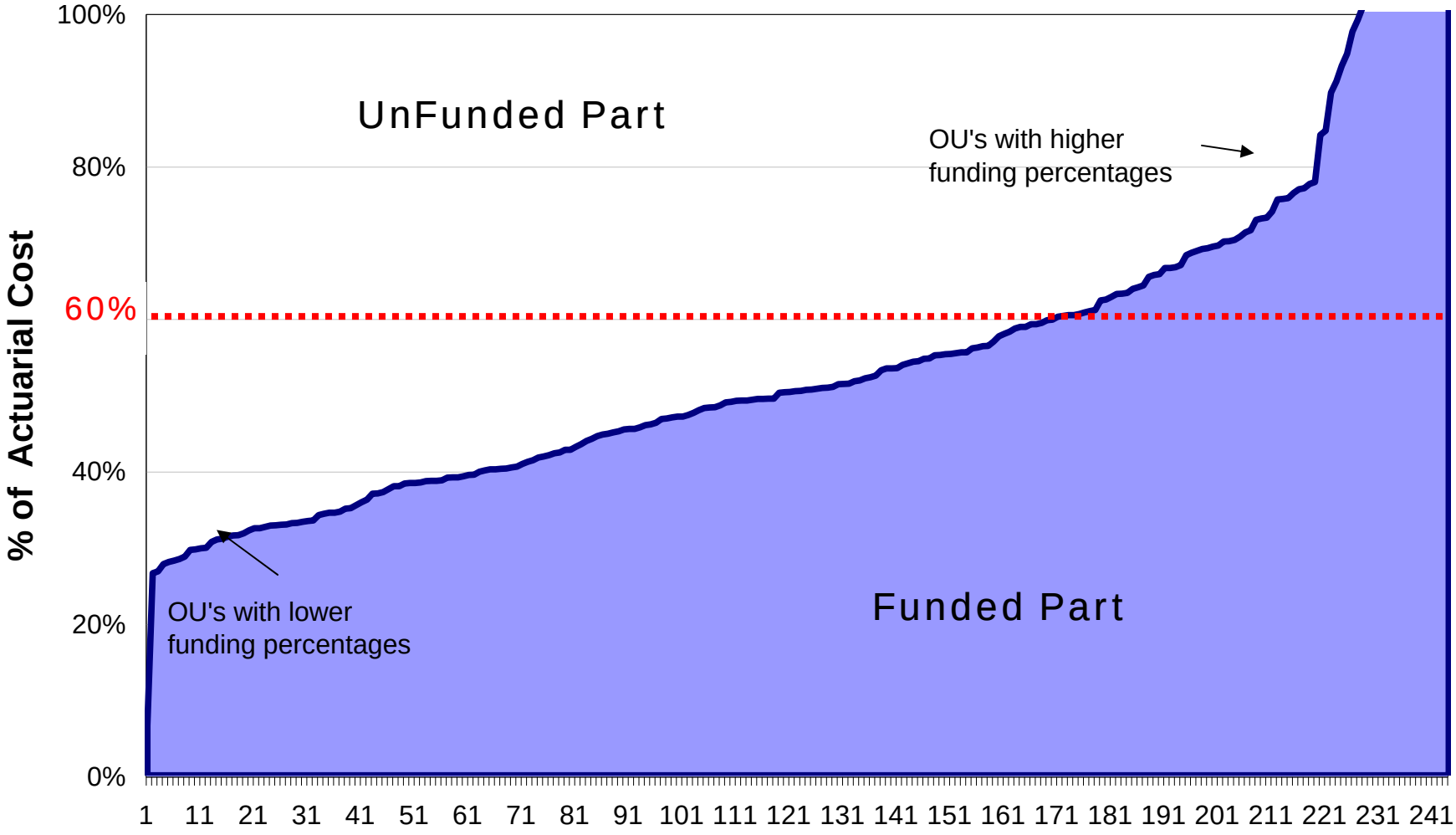

Most operating units fall well below the FEHBP benchmark funding per user.
150%
125%
100%
75%
50%
25%
0%
% Equivalence with FEHBP
100% FEHBP Equivalence Line
Lower 48 IHS Trend Line
Alaska IHS Trend Line
$-
$500
$1,000
$1,500
$2,000
$2,500
$3,000
$3,500
$4,000
$4,500
$5,000
Operating Units' Medical Funding Per User

Chart10

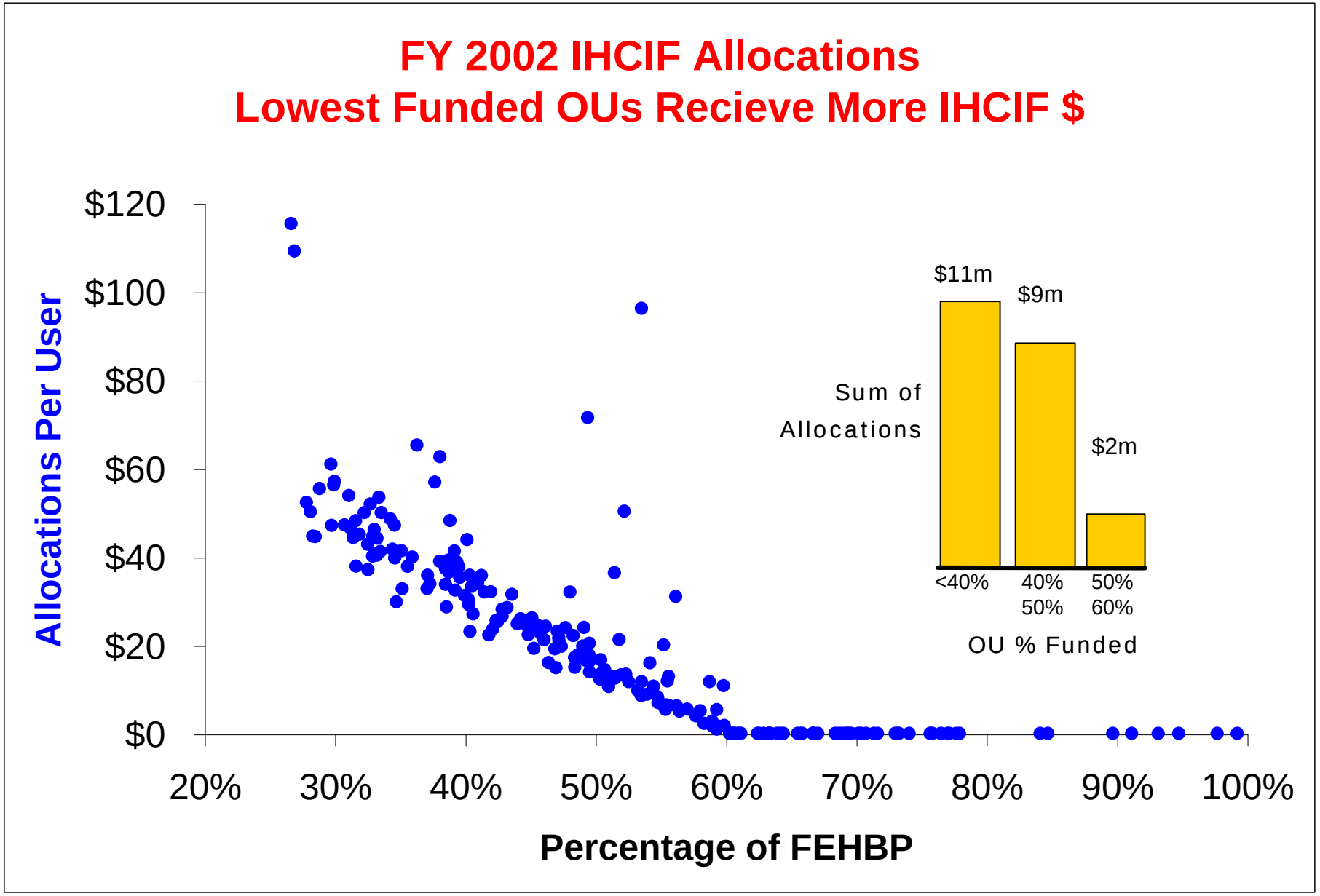
FY 2001 FEHBP % for 244 IHS Operating Units

Available Funds as Percent of Actuarial Cost



100% is the actuarial cost considering OU Size, Local Market Prices, and Health Status

3/27/2002


FY 2002 IHCIF Allocations
Lowest Funded OUs Recieve More IHCIF $
Allocations Per User
$120
$100
$80
$60
$40
$20
$0
20%
30%
40%
50%
60%
70%
80%
90%
100%
Percentage of FEHBP
Sum of Allocations
$11m
$9m
$2m
<40%
40% 50%
50% 60%
OU % Funded